Global Energy *Monthly*

COVER STORY

Crude is cheaper, *distillates* remain expensive.

The dispersion of prices across the energy complex now matters more than the direction of any single benchmark. Crude, LNG and refined products carry different stocks, different logistical constraints and a different capacity to absorb a shock.

08/2026

AUGUST 2026 · DATA TO 19 AUGUST 2026

−0.9	+5.0	21.25	~70
MN B/D	MN B/D	USD/MMBTU	USD/B
OIL BALANCE 2026 · IEA JUNE	OIL BALANCE 2027 · IEA JUNE	JKM · 3 AUGUST 2026	EUROPEAN DIESEL CRACK

DANSKE GAS INTELLIGENCE · D. PALIWODA, M. CZERWIEC

MASTHEAD

Global Energy Monthly *08/2026*

Crude is cheaper, distillates remain expensive.

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01 EDITORIAL

A market of one war, but *many* prices

Why crude can cheapen in the same quarter in which diesel, gas and jet fuel stay expensive

Over three months the market stopped asking whether crude would run short and began asking how quickly supply would return and whether 2027 would bring too much of it. The physical markets for LNG, diesel and jet fuel stayed tight throughout. Shipping constraints, low stocks and a reconfiguration of refinery yields have left **the price of a barrel explaining ever less of the cost of finished fuels**.

Europe now watches cargo availability as closely as the level of the benchmark. The United States, Nigeria, Canada and the Atlantic projects have taken over part of the marginal producer's role, but longer voyages raise the call on vessels, financing and insurance. A logistics premium is forming that Brent alone does not show.

The Brent path itself was not smooth. From an average of about 104 USD/b in May the market slid to 76 USD/b in early July, rebounded by more than 25 USD within a month and closed July near 97 USD/b, holding August in an 88–97 USD/b range. Crude is cheaper than in May, even though **July closed with a range of close to 40 USD/b**. The balance of the period and its path through it are two different stories.

In biofuels the direction remains upward, but uneven. HVO benefits from new emission-reduction obligations, SAF from aviation mandates, and biomethane from the rising volatility of imported diesel. The common constraint is bankable feedstock supply and long-term contracts.

> *The price of a barrel describes ever less of the cost of a finished fuel delivered to Europe.*
>
> EDITORIAL CONCLUSION · DANSKE GAS INTELLIGENCE

CORE THESIS

Treating the entire energy complex as a single market is today the most expensive simplification available. Crude, LNG and refined products carry different stocks, different logistical constraints and a different capacity to absorb a shock.

Coverage: 19 May – 19 August 2026 · **Perspective:** global, with emphasis on transmission into Europe. · **Basis:** a synthesis of 29 items from Argus, S&P Global Energy, Bloomberg, IEA, OPEC, IATA, ICAO, IMF, the World Bank and the Energy Institute.

02 — THE QUARTER AT A GLANCE

Nine numbers that define the market

−1.6 mn b/d

Oil demand 2026 · change y/y

The first annual decline since 2020. IEA forecast of 12 August.

+188 kb/d

OPEC+ · output increase from September

The decision of seven states on 2.08.2026 completing the unwinding of the voluntary cuts of 1.65 mn b/d from April 2023.

−8 bcm

Global LNG supply

Change March–June y/y after non-Gulf compensation

21.25 USD/MMBtu

JKM · 3 August 2026

Almost twice the pre-conflict level

~70 USD/b

European diesel crack

Mid-July – the highest since March

1.18 mn b/d

Russian products · July exports

The lowest since the series began in 2016.

152 USD/b

Jet fuel 2026 · average

IATA forecast; 90 USD/b in 2025.

+36 %

HVO in the EU · demand 2026

Growth from 6.9 to 9.4 bn litres against 2025. Argus estimate.

0.8 %

SAF share of aviation fuel

2.4 mn t of availability in 2026.

WHAT LINKS THEM

Buffers keep thinning. Lower stocks, dearer freight, more frequent state intervention and sharper competition between products for the same refining capacity and the same feedstocks.

Sources: IEA OMR June/July 2026; IEA Gas Market Report Q3; OPEC 2.08; S&P Global Energy 14–30.07; IATA 7.06; Argus 13.07 and August 2026.

03 COVER STORY

Six markets, six critical points

A fall in the crude price need no longer automatically lower the cost of diesel, gas or jet fuel

Map of market stress

DANSKE GAS QUALITATIVE ASSESSMENT · POSITION AS AT 19 AUGUST 2026

MARKET	STRESS	SCALE 1–5	CRITICAL POINT
Crude	HIGH	3.5	Transport risk, but the spectre of oversupply in 2027
LNG/gas	VERY HIGH	4.5	Constrained Gulf supply and a Europe-Asia contest for cargo
Diesel	VERY HIGH	4.5	Russia, turnarounds, low stocks and open arbitrages
Jet fuel	HIGH	3.5	Low ARA stocks and competition for middle distillates
HVO	HIGH	3.5	Mandates lift demand, logistics cools prices for now
SAF	STRUCTURAL	3	Regulation is growing faster than bankable supply

Fig. 1. The stress assessment covers supply, stocks, logistics and the capacity for rapid substitution. The scale is an editorial judgement, not a market measure.

Each of these markets has its own critical point. In LNG it is the availability of liquefaction and vessels, in diesel the heavier fractions and hydrocracking capacity, in jet fuel stocks and the flying season. In HVO and SAF renewable feedstocks and regulatory compliance decide.

TRADING CONCLUSION

The most useful reads are the spreads and relationships between markets: JKM–TTF, diesel–Brent, jet–diesel, HVO–gasoil, and the cost of physical blending against the purchase of a certificate.

Source: Danske Gas synthesis based on IEA, Argus, S&P Global Energy, OPEC and IATA.

04 — CRUDE OIL · GLOBAL BALANCE

Deficit today, potential *oversupply* tomorrow

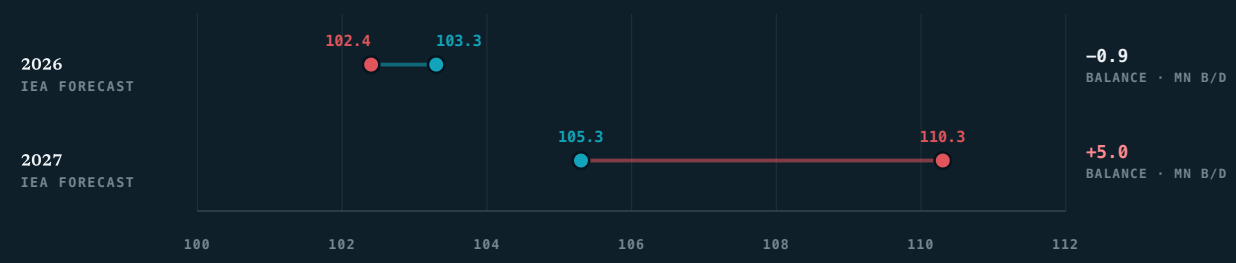

Fig. 2. The IEA projection shows an exceptionally large swing in the balance between 2026 and 2027. The forecast depends on the pace at which Gulf supply normalises.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-2-oil-balance.csv

The June IEA scenario assumed average demand of 103.3 mn b/d and supply of 102.4 mn b/d in 2026. In 2027 the return of supply would be far faster than the recovery in demand, creating a theoretical surplus of about **5 mn b/d**. It is precisely that prospect that began to weigh on deferred contracts, even while the physical market stayed tight.

UPDATE OF 12 AUGUST

The August IEA report lowered the 2026 demand forecast to **−1.6 mn b/d** and supply to about 102 mn b/d. For 2027 it assumes demand growth of 2.4 mn b/d against supply of 110.3 mn b/d. The direction is unchanged: deficit this year, a large surplus next.

THE LARGEST RISK TO THE FORECAST

Should the normalisation of the Gulf be delayed, the market may first pass through a period of very low stocks. Oversupply next year does not remove the risk of a price spike in the coming months.

OPEC+: the communiqué is only the beginning

Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria and Oman agreed on 2 August to **increase** output by 188 kb/d from September. It was the sixth consecutive monthly increase and the formal completion of the unwinding of the voluntary cuts of 1.65 mn b/d announced in April 2023. Some 2 mn b/d of separate group cuts from 2022 remain in force, running to the end of 2026.

The number itself matters less than the scope for delivering it physically – in preceding months higher targets did not always translate into larger exports, owing to disruption to infrastructure and shipping. Delegates signalled a pause in increases in Q4.

Supply capability exceeds the certainty of its delivery

DANSKE GAS QUALITATIVE ASSESSMENT · SCALE 1–5

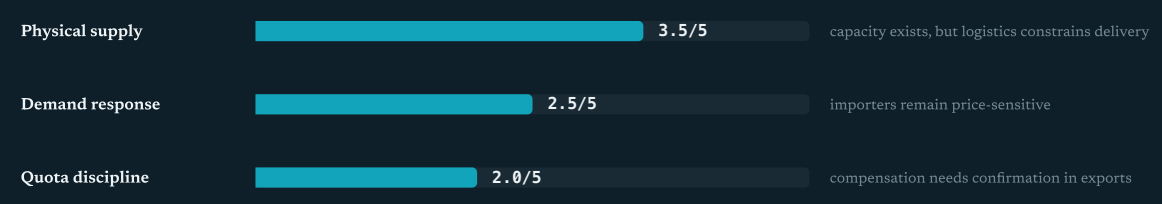

Fig. 3. Nominal supply capability remains higher than the certainty of its delivery and quota discipline. An editorial assessment, not a quantitative forecast.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-3-opec-axes.csv

1 **PHYSICAL SUPPLY**

Can Gulf producers lift output and ship the additional barrels before local storage fills?

2 **DEMAND RESPONSE**

Will China, India and price-sensitive importers return to buying after the fall in prices, or sustain demand destruction?

3 **QUOTA DISCIPLINE**

Will states with earlier overproduction actually deliver the compensation once market access improves?

INDICATOR FOR THE NEXT QUARTER

What matters most is the gap between the announced target and seaborne exports. The market should react more strongly to loadings and stocks data than to the quota communiqué itself.

Sources: IEA Oil Market Report, 17.06 and 10.07.2026; S&P Global Energy, 17.06.2026; Argus, 17.06.2026; OPEC, 2.08.2026; Argus Middle East Conflict hub, 3.08.2026; Bloomberg, June–July 2026.

05 — GEOPOLITICS AND LOGISTICS

Hormuz remains a *valve*, not an ordinary route

Argus material from May, June and July shows three successive phases of the same shock. First the market responded by releasing stocks and by Chinese buying being curtailed. Then came hope of a gradual resumption of shipping. In July risk rose again, and attention shifted from the crude price itself to **the safety of crews, insurance and the real throughput of the route**.

20 MAY	**Argus:** stocks and demand reduction cushion the first shock, but the prompt balance stays tight.
17 JUNE	**IEA:** Gulf supply returns more slowly than demand; stocks continue to fall.
22 JUNE	**Argus:** a US–Iran MOU opens a scenario of a gradual resumption of traffic.
8–30 JULY	Stress returns: LNG and products seek alternative routes, while shipping risk and freight stay high.

A LASTING CHANGE

Barrels may sail before normal rates return. The cost of security, vessel availability and owners' caution normalise at their own pace.

Sources: Argus 20.05, 22.06 and 30.07.2026; S&P Global Energy 16.07.2026; Bloomberg APAC Fuel Crunch, July 2026.

06 GAS AND LNG

New supply *cushioned* the shock – it did not remove it

LNG: new projects covered about three quarters of the shortfall

CHANGE IN SUPPLY MARCH–JUNE 2026 Y/Y · BCM

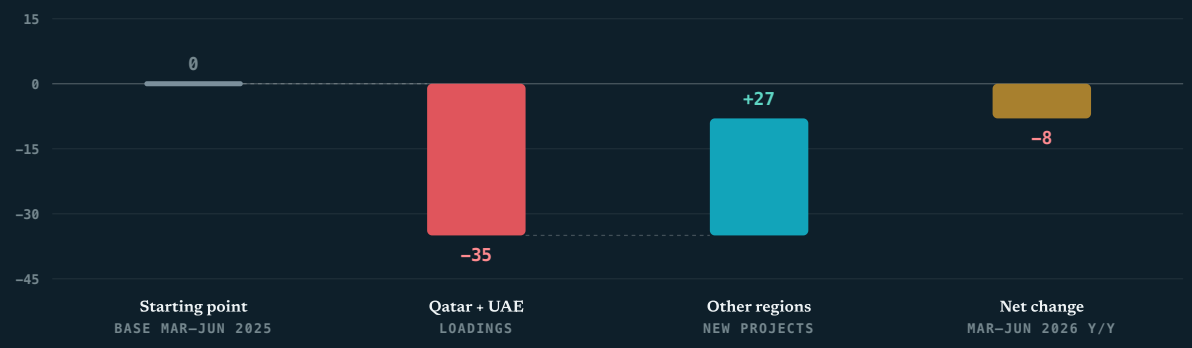

Fig. 4. Additions from North America, Africa and other regions replaced about 3/4 of the LNG lost from Qatar and the UAE.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-4-lng-supply.csv

According to the IEA, loadings from Qatar and the UAE fell in the March–June period by 35 bcm y/y. Output outside the Gulf rose by about 27 bcm, chiefly on new projects and better availability of feedgas for the plants. The global LNG market therefore contracted by about **8 bcm rather than the full 35 bcm**.

That is good news for the security of the system, but not enough for Asian importers heavily dependent on Qatar. Argus and Bloomberg described increased spot buying, greater reliance on the US and Canada and a rising cost for the economies of South Asia.

Europe and Asia compete for the same cargo again

Gas: Q2 2026 higher despite demand destruction

Q2 2025 Q2 2026

AVERAGE SPOT PRICES · USD/MMBTU

● RECURRING SERIES

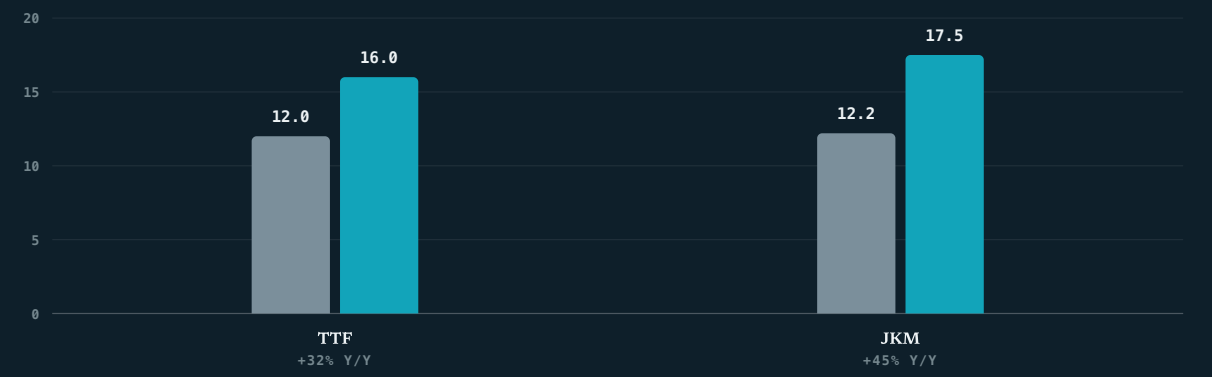

Fig. 5. Gas prices in Q2 were markedly higher than a year earlier, despite weaker industrial demand. The Q2 2025 bases are 12.0 for TTF and 12.2 for JKM. The growth rates given by the IEA rest on daily averages and therefore do not reproduce directly from the rounded quarterly values.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-5-gas-q2.csv

The IEA noted that the JKM premium over TTF averaged about **2.1 USD/MMBtu** from March to June. That directed flexible cargoes from the Atlantic basin to Asia. In early August S&P Global assessed September JKM at 21.25 USD/MMBtu, and DES Northwest Europe at 19.255 USD/MMBtu.

Europe entered August with storage 57.1% full, against 68.9% a year earlier (GIE/AGSI data – the lowest for this point in the year since measurement began in 2011; by 26 August the level had recovered to about 63%). The higher summer price did not encourage rapid injection. At the same time weaker industrial demand and higher renewable generation limited the pressure.

> **WHAT TO WATCH**
>
> JKM–TTF, the pace of storage injection, US exports, vessel transits through Hormuz and temperatures in North-East Asia.

Sources: IEA Gas Market Report Q3 2026; Argus 8.07.2026; Bloomberg APAC Fuel Crunch 14–29.07.2026; S&P Global Energy 30.07 and 3.08.2026; GIE, position as at 1.08.2026.

07 REFINING AND MARGINS

The refining system is running *without* a comfortable cushion

Refineries shift yields to where the margin is highest

INDICATIVE EUROPEAN CRACK SPREADS FROM EARLY JULY · USD/B

● RECURRING SERIES

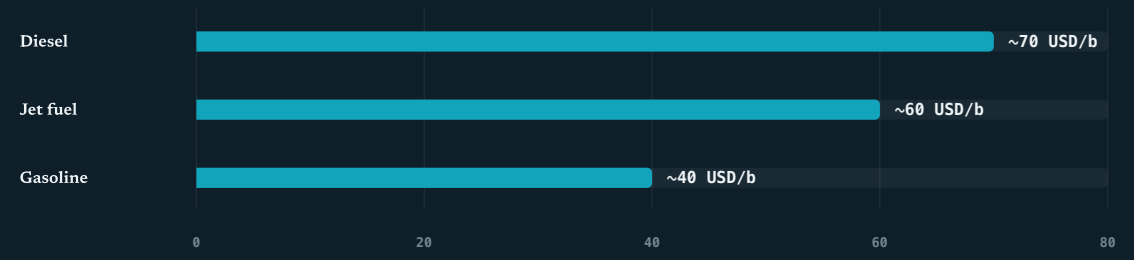

Fig. 6. High product margins encourage refineries to shift yields between diesel, gasoline and jet fuel.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-6-crack-spreads.csv

Argus described in July a turn by European refineries towards road fuels. Diesel priced above jet fuel, gasoline benefited from seasonal demand and exports, and naphtha from blending. Hydrocracking and FCC returned to positive premiums over Brent after a weak start to June.

What decides is not the sheer size of processing capacity but crude quality, hydrogen availability, plant configuration and the economics of alternative products. **One additional tonne of diesel means less jet fuel, or a smaller supply of components for another market.**

IMPLICATION

High cracks can persist longer than a geopolitical premium in crude. The cost of the product must therefore be analysed separately from the direction of Brent.

Diesel returns to the front line of risk

Russian product exports fell to a decade low

REFINED PRODUCT EXPORTS · MN B/D · S&P GLOBAL CAS

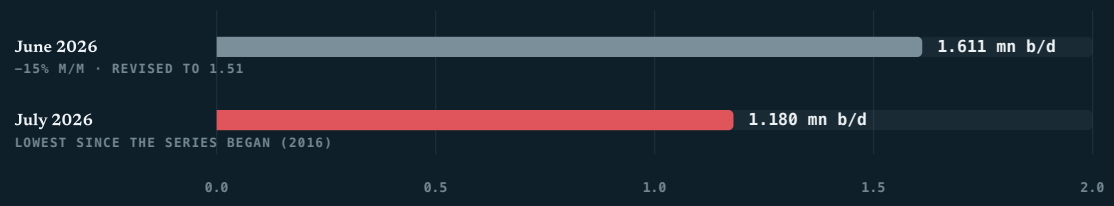

Fig. 7. Smaller Russian exports lengthen routes and increase reliance on transatlantic supply. The June value was subsequently revised to 1.51 mn b/d.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-7-russian-exports.csv

S&P Global Energy noted that Russian export restrictions and attacks on refining infrastructure have tightened the diesel balance. Europe does not import Russian products directly, but it competes with Turkey, Africa and Latin America for replacement barrels from the US, India and the Middle East.

The 15% m/m fall in Russian product exports in June supported demand for longer clean tanker voyages. In July exports slid to **1.18 mn b/d** – the lowest since this series began in 2016. The same volume of trade now absorbs more vessel days and more working capital.

> **FOR EUROPE**
>
> The greatest risk falls in the autumn: a seasonal rise in demand, turnarounds, limited stocks and competition from Brazil for supply from the US Gulf Coast.

Sources: Argus 9.07 and 6.08.2026; S&P Global Energy 28.05, 14 and 15.07.2026; S&P Global Commodities at Sea 15.07.2026; Bloomberg 23-26.07.2026.

08 — AVIATION FUELS

Jet fuel: a temporary balance, a *thin* buffer

Towards the end of June European jet fuel cheapened markedly against the April peak, but ARA stocks stayed low. In July the stress returned along with competition for middle distillates.

3.552 USD/gal

Jet US Gulf Coast · 14 July

The highest since 22 May. EIA daily series.

592 kt

ARA jet stocks

Week to Thursday 9 July, down 4.5% w/w.

2.068 mn b/d

US jet output · to 31 July

Net refinery production, +4.3% y/y. Domestic consumption in the same week: 1.629 mn b/d.

62.19 USD/b

US jet crack · 4 August

19.06 USD/b a year earlier. Calculated from EIA: USGC jet × 42 minus WTI.

944 USD/t

Jet CIF Northwest Europe · 29 June

Down from the March peak of 1,694 USD/t. The July swap assessed at 982 USD/t.

514 kt

ARA stocks low · early June

The lowest in six years; 554 kt in the week to 25 June.

Jet fuel: three signals of stress

INDEX 100 = THE STATED COMPARISON PERIOD

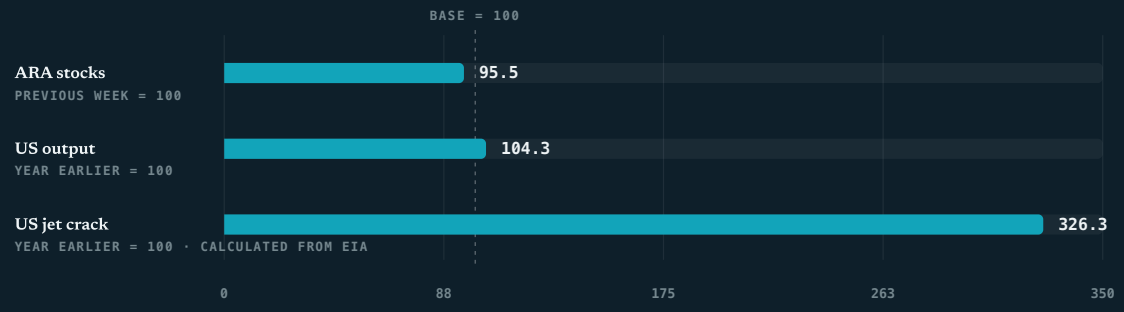

Fig. 8. A high crack contrasts with only a moderate rise in output and a thin ARA stock buffer. The crack is calculated from daily EIA series: 62.19 against 19.06 USD/b. Each row has its own base period, stated beneath the label.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-8-jet-index.csv

Refineries move part of their yield between jet fuel and gasoil. When diesel offers the higher margin, jet fuel output falls despite rising air traffic. With low stocks, any disruption to supply then hits the market immediately.

BASE-CASE RISK

Not a lasting shortage of fuel, but high volatility in the jet–diesel regrade and regional shortfalls against thin stocks.

Fuel costs are rising faster than air traffic

The global airline industry: the IATA forecast for 2026

ANNUAL VALUES · 2025 → 2026

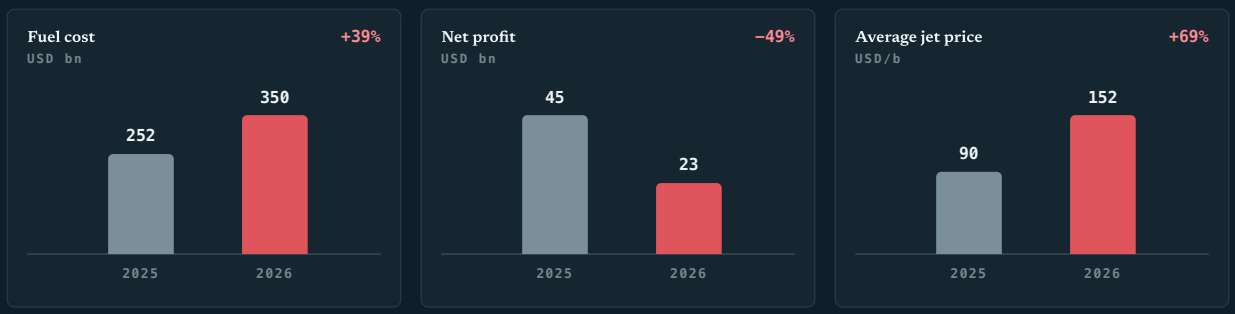

Fig. 9. IATA forecasts a marked rise in fuel costs and a fall in airline profitability.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-9-iata.csv

IATA lowered its forecast of industry net profit to USD 23bn, with the fuel bill rising to USD 350bn. About one third of consumption is hedged, but many airlines hedge crude rather than the full jet crack. **The rise in the product margin therefore remains partly unprotected.**

In June global passenger demand fell by 1.7% y/y, although cargo grew. That is the first signal that high prices, longer routes and network disruption are beginning to limit volume. For the fuel market, however, the geography of flying will matter more than global RPK alone.

> **SAF IN THE BACKGROUND**
>
> 2.4 mn t of availability in 2026 – only 0.8% of global aviation fuel consumption.

Sources: S&P Global Energy 29.06 and 14.07.2026; Argus Jet Fuel 7.08.2026; IATA 7.06 and 30.07.2026; IATA Global Outlook for Air Transport, June 2026.

09 — BIOFUELS

Four markets, four *pricing mechanisms*

MARKET	PRINCIPAL MECHANISM	FEEDSTOCKS	REGULATION
FAME/RME	Blending and seasonality	Vegetable oils, UCO	RED III, feedstock caps

MARKET	PRINCIPAL MECHANISM	FEEDSTOCKS	REGULATION
HVO/RD	Drop-in and high GHG reduction	UCO, POME, tallow, oils	Road mandates, RIN/LCFS
SAF	Aviation obligation + scarcity premium	HEFA today, PtL later	ReFuelEU, UK, Asia
Biomethane	Substitution for diesel/gas	Agricultural and municipal waste	Certificates and the grid

A high diesel price can improve the relative competitiveness of HVO and biomethane, but it also lifts the cost of the benchmark against which premiums are settled. SAF has a different dynamic: demand is increasingly regulatory, while availability is constrained by investment, certification and long-term offtake contracts.

THE MOST IMPORTANT COMMON DENOMINATOR

Feedstock meeting the sustainability criteria is becoming a separate commodity with its own premium, origin risk and competition between sectors.

HVO: demand is growing faster than flexible supply

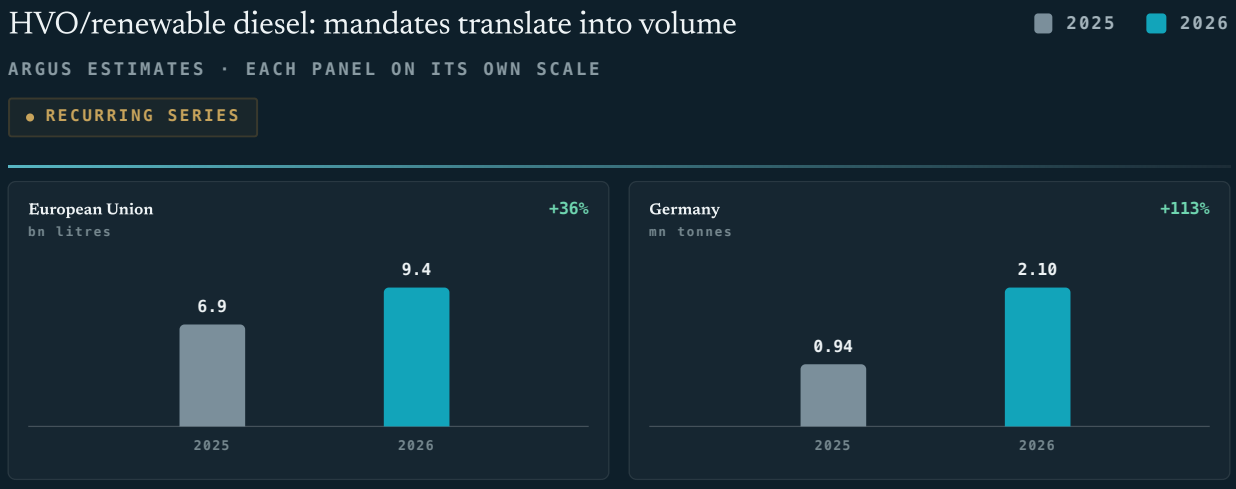

Fig. 10. Road mandates lift demand across the Union, and in Germany especially strongly. The panels carry separate units and scales, so bar heights should not be compared between them.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-10-hvo-demand.csv

German demand quadrupled in five months

HVO USE IN ROAD TRANSPORT · KT · UFOP/BAFA

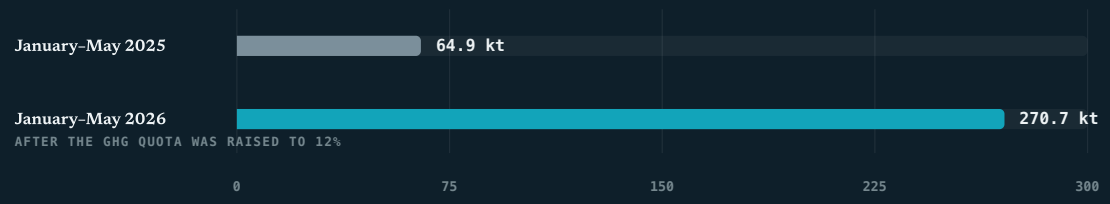

Fig. 11. Raising the emission-reduction quota from 10.6% to 12% and abolishing double counting switched the German diesel pool to HVO within a single season.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-11-hvo-germany.csv

Low water on the Rhine constrained German physical purchases over the summer, and some participants opted for certificates. At the same time the entry of the German implementation of RED III, plant turnarounds and smaller US exports pointed to a renewed tightening of the balance later in the year.

SAF: a mandate is no substitute for a bankable contract

2 %

EU from 2025

ReFuelEU Aviation

6 %

EU from 2030

Plus a 1.2% sub-target for synthetic fuels

1 → 3 → 5 %

Japan · FY2030 → FY2031 → FY2032–34

Proposal of the METI subcommittee of 17 August. Seven airports, about 68% of international uplift volume.

1,817 USD/t

SAF · global HEFA average

BloombergNEF, August 2026. Advanced bio-SAF 3,399, e-SAF 5,015 USD/t.

10–15 years

Length of offtake agreements

The horizon required for financing

~200

Announced projects

Some may never be built

SAF: mandates are rising faster than availability

PERCENTAGE SHARE OF AVIATION FUEL

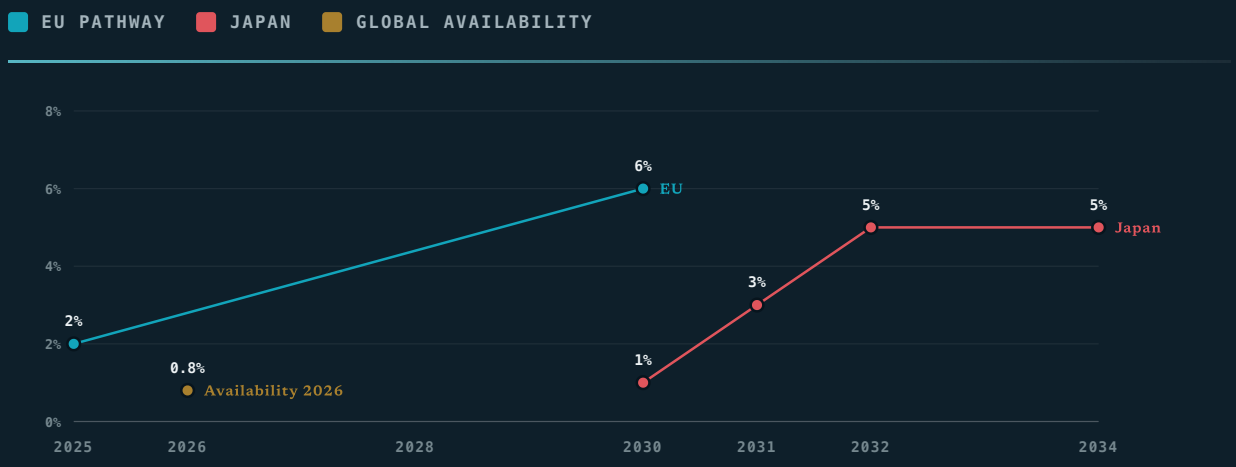

Fig. 12. The mandate pathways exceed the current share of available SAF, reinforcing the need for long-term agreements. The Japanese pathway remains at the stage of a proposal by the METI subcommittee of 17 August; the framework is to be finalised by March 2027.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-12-saf-mandates.csv

S&P Global pointed to the need for offtake agreements of 10–15 years. Without them a project has a demand mandate but no stable cash flow. Asia-Pacific may become an important supplier to Europe on the strength of its feedstock advantage, yet whether a delivery qualifies is decided by emissions methodology, certification and the ability to assign the environmental attribute.

> **FOR THE BUYER**
>
> The price of SAF is at once the price of the molecule, the cost of feedstock, the value of the GHG reduction, the certificate and the cost of regulatory risk.

Sources: Argus Biofuels; Argus Spotlight on Renewable Diesel, June 2026; Argus, German HVO demand, 13.07.2026; S&P Global Energy 15.06, 24.07 and 27.07.2026; ICAO/IATA 2.06.2026; ReFuelEU Aviation.

10 REGIONAL CARDS

The same shock, four *different* responses

EUROPE

Competition for flexible cargoes

Signal: low gas and distillate stocks.
Flows: more LNG and fuels from the Atlantic.
Significance: a higher logistics premium and regulatory pressure. Europe may curtail industrial consumption and gas-fired generation.

THE AMERICAS

The US as marginal supplier

Signal: the role of marginal exporter.
Flows: diesel and jet to Europe; LNG to many basins.
Significance: strong margins, but rising exports erode its own product buffer.

MIDDLE EAST/AFRICA

Infrastructure matters more than capacity

Signal: Gulf disruption; the role of Nigeria and Africa.
Flows: new sources of jet and LNG.
Significance: African importers remain sensitive to prices and to access to foreign currency.

ASIA-PACIFIC

The largest contractual exposure

Signal: dependence on LNG from Qatar.
Flows: more from the US, Canada and Russia; dearer spot.
Significance: demand destruction and fuel switching against uneven ability to pay.

STRUCTURAL CHANGE

Trade is becoming more Atlantic and more long-haul, which raises the weight of freight, trade credit and terminal flexibility.

Sources: IEA Gas Market Report Q3; Argus and S&P Global Energy, May–August 2026; Bloomberg APAC Fuel Crunch.

11 MACROECONOMICS

Energy is braking growth, but not *everyone* equally

3.0 %

Global GDP growth 2026

IMF WEO Update, 8.07.2026

4.7 %

Global inflation 2026

IMF forecast

−2.2 %

Crude in July m/m

World Bank Pink Sheet, 4.08.2026

+19.1 %

European gas in July m/m

World Bank Pink Sheet, 4.08.2026

In July the IMF forecast growth in the world economy of 3.0% in 2026 and 3.4% in 2027. Energy-importing economies bear the greater cost of the shock, while exporters and states benefiting from the investment boom in technology are more resilient.

The divergence of –2.2% for crude against +19.1% for European gas in the same month shows why **a general energy price index is not sufficient to assess the costs of a particular buyer or sector.**

> CONCLUSION
>
> A fall in the crude index does not mean a fall in the cost of energy for regions dependent on gas and products.

Sources: IMF World Economic Outlook Update, 8.07.2026; World Bank Pink Sheet, 4.08.2026; Energy Institute Statistical Review, 30.06.2026.

12 — SPREAD TABLE

What a single benchmark *does not show*

Relationships between markets matter operationally more than the level of Brent

RELATIONSHIP	LEVEL IN THE PERIOD	DIRECTION	WHAT IT DESCRIBES
JKM – TTF	≈ +2.1 USD/MMBtu	ASIA PREMIUM	Average March–June 2026; directs flexible cargoes from the Atlantic to Asia
JKM – DES NWE	≈ +2.0 USD/MMBtu	ASIA PREMIUM	21.25 against 19.255 USD/MMBtu in early August
Diesel – Brent	≈ 70 USD/b	VERY HIGH	The highest since March; drives yields towards road fuels
Jet – Brent (Europe)	≈ 60 USD/b	HIGH	Below diesel – hence the pressure on the regrade
Jet – diesel (regrade)	≈ –10 USD/b	VOLATILE	The difference of the cracks; decides the allocation of middle distillates
Gasoline – Brent	≈ 40 USD/b	SEASONAL	Summer demand and exports sustain the margin

RELATIONSHIP	LEVEL IN THE PERIOD	DIRECTION	WHAT IT DESCRIBES
Jet CIF NWE – March peak	~750 USD/t	COMPRESSION	944 against 1,694 USD/t; the market came off the peak, stocks stayed low
US jet crack	62.19 USD/b	326 PTS Y/Y	4.08.2026 against 19.06 a year earlier – calculated from EIA (USGC jet × 42 – WTI)
HVO FOB ARA · range	2,500–2,700 USD/t	2026 FORECAST	Market range for 2026; the premium is settled against gasoil, not the outright price
SAF HEFA – jet CIF NWE	≈ +870 USD/t	REGULATORY PREMIUM	1,817 against 944 USD/t; different dates and bases, indicative magnitude

Sources: IEA Gas Market Report Q3 2026; S&P Global Energy 29.06, 14.07, 30.07 and 3.08.2026; Argus 9.07, 13.07 and 7.08.2026. · Values converted and rounded by the editors from published data.

13 — PROPRIETARY INDEX

A benchmark prices the molecule. The index measures the cost of delivery.

Danske Gas Delivered Cost Index – a quarterly index of the full cost of placing a tonne of product with a buyer in Central Europe

An assessment of Brent, TTF or ICE gasoil describes the price of the commodity at a reference point. An industrial buyer pays for something else: for a tonne placed at its terminal, on the agreed date, with deferred payment and a complete set of documents. Between the one and the other lie freight, working capital financing, transhipment and insurance – items that rose faster than the benchmarks themselves this quarter.

The DGDCI is built from Danske Gas's own transaction data. It is neither a market assessment nor a price for contractual settlement. It shows how the cost of performing the same commercial service changes from quarter to quarter.

CONSTRUCTION OF THE INDEX

CIF COMMODITY PRICE

70%

The purchase price at the receiving port, weighted by the volume of cargoes settled in the quarter.

FREIGHT

15%

Sea freight and inland haulage per tonne, including demurrage.

WORKING CAPITAL

10%

The cost of financing: prepayments to suppliers and trade credit on the buyer side, taken as days × rate.

CARGO HANDLING

5%

Transhipment, storage, insurance and documentation costs.

PARAMETER	SPECIFICATION
Base	Q1 2026 = 100
Coverage	LPG, diesel, B100 – separately and combined, volume-weighted
Frequency	Quarterly, published with the issue
Currency	USD/tonne, converted at the NBP mid rate of the last day of the quarter
Adjustments	No seasonal adjustment; historical series are not revised after publication
First reading	Issue 10/2026, with a backdated reading for Q1 and Q2

WHY A SEPARATE INDEX

Two quarters with a similar level of Brent can carry a markedly different cost of delivery. The index separates those two quantities and shows how much of the move in the final price comes from the commodity market and how much from logistics and financing.

14 — THE DANSKE GAS VIEW

What follows from this for European fuel *trading*

1 **SEPARATE CRUDE FROM PRODUCT**

A fall in Brent is not a sufficient signal to expect cheaper diesel. What matters are the cracks, ARA stocks and the availability of arbitrage.

2 **PRICE THE LOGISTICS**

Longer routes raise the cost of freight, financing and the risk of delay. The delivery premium can rise while the benchmark price is stable.

3 **MONITOR SUBSTITUTION**

High diesel can improve the economics of HVO and biomethane, but GHG obligations, certificates and the feedstock price change the outcome.

4 **MANAGE THE JET-DIESEL SPREAD**

Refineries shift yields. Hedging crude alone does not protect against a change in the product premium.

5 **TREAT SAF AS A PORTFOLIO OF RISKS**

Beyond the fuel price, one must control qualification, the GHG footprint, feedstock origin and the transfer of attributes.

Monitoring priorities: what to watch most often

DANSKE GAS QUALITATIVE PRIORITY · SCALE 1–5

Fig. 13. Logistics and the product spread should be monitored as closely as the commodity benchmark itself. The assessment concerns the frequency of monitoring, not a forecast of price direction.

Data (CSV): https://danskegas.com/assets/intel/dane/dg-monthly-2026-08-fig-13-monitoring-panel.csv

The benchmark alone is not enough to price a delivery. Only setting the assessment against the actual cost of freight, product availability,

the cost of blending and certificates gives **the full cost of delivery to the customer** – and it is on that we base our pricing per cargo.

15 MARKET SCENARIOS

Three scenarios for Q4 2026

BASE CASE

55% WEIGHT

A gradual easing of pressure in crude

Assumption: a gradual improvement in shipping, a slow restart of plants.
Implication: crude softens, gas and distillates keep their premium.
Signals: TTF/JKM high; cracks above seasonal averages.

UPSIDE CASE

25% WEIGHT

Renewed escalation on the routes

Assumption: a longer constraint on Hormuz and Bab el-Mandeb.
Implication: LNG, diesel and jet react more strongly than Brent.
Signals: freight and insurance rise; stocks fall further.

DOWNSIDE CASE

20% WEIGHT

Rapid normalisation of supply

Assumption: rapid normalisation, weak demand in China and Europe.
Implication: a fall in crude and compression of cracks and the LNG premium.
Signals: contango in crude; rising stocks; arbitrages closing.

DISTRIBUTION AND HORIZON

The weights apply to a horizon to 31 December 2026 and sum to 100%. The base case assumes an easing of pressure in crude while the premium in LNG and middle distillates holds; the normalisation of products should run more slowly than the normalisation of commodity benchmarks. The weights are the team's judgement and will be settled in the next issue.

The upside risk is logistical and inventory-driven: the next incident could find the market with a smaller buffer than in the spring. The downside risk is a simultaneous rapid return of supply and weaker demand in China, Europe and aviation.

Scenario switching points: regular LNG transits through Hormuz, EU storage rising above the seasonal path, the closing of the USGC–Europe arbitrage, a recovery in Russian product exports and a fall in the European diesel crack below 35 USD/b.

Tracked calls to be settled in issue 10/2026

The statements below carry a numerical threshold and a date of resolution. The next issue will open with their settlement, whatever the outcome.

T1	The European diesel crack will hold above the threshold through the whole of Q3 ARGUS · QUARTERLY AVERAGE	> 50 USD/b
T2	JKM will keep a positive premium over TTF in the quarterly average PLATTS, IEA · Q3 2026	> 0 USD/MMBtu
T3	EU gas storage will not reach the target level before 1 October GIE/AGSI · POSITION AS AT 1.10.2026	< 90%
T4	Russian product exports will not return to the June level S&P GLOBAL CAS · SEPTEMBER 2026	< 1.6 mn b/d
T5	The jet-diesel regrade will remain negative at the end of the quarter ARGUS · 30.09.2026	< 0 USD/b
T6	OPEC+ will not raise quotas above the September level for Q4 OPEC · DECISIONS TO 30.09.2026	Unchanged

Source: scenarios and calls of the Danske Gas Intelligence team based on IEA, OPEC, Argus, S&P Global Energy and IMF. They are neither a trading forecast nor a recommendation.

16 — CALENDAR AND SIGNALS

What to watch until the *next* issue

ALERT SIGNALS · THRESHOLDS	
JKM above the threshold	**> 25 USD/MMBtu**
European diesel crack	**> 80 USD/b**
Fall in ARA stocks	**3 consecutive weeks**
No regular LNG transits through Hormuz	**monitor**
Rising cost of war risk insurance	**monitor**
Renewed product export restrictions	**monitor**

SIGNALS OF NORMALISATION	
Regular Qatari loadings	**monitor**
Rise in EU stocks	**above the seasonal path**
Closing of transatlantic arbitrages	**monitor**
Diesel crack back to the seasonal average	**< 35 USD/b**
Contango in products	**monitor**
Rebuilding of stocks	**monitor**

CADENCE	TO MONITOR
Weekly	IATA Jet Fuel Monitor; EIA stocks and output; GIE storage; vessel transits and freight
Monthly	IEA OMR; OPEC MOMR; EIA STEO; JODI Oil/Gas; PMIs China/US/EU; IATA data
6 September	The next meeting of the seven OPEC+ states participating in the voluntary adjustments
Autumn	The refinery turnaround season; gas injection in the EU; the build of distillate stocks for winter
Regulation	Implementation of RED III; ReFuelEU; changes to RFS/RIN; SAF mandates in Asia and the development of book-and-claim

NEXT ISSUE

The next issue (09/2026) covers August 2026, with a data cut-off of 31 August; it is available now.

17 — SOURCES AND METHODOLOGY

Selected material from the period 19 May – 19 August 2026

The list covers material that directly shaped the choice of topics, the data or the conclusions of the issue

DATE	PUBLISHER	ITEM
20.05.2026	Argus Media	Impact of the Iran War on Global Oil Markets
02.06.2026	ICAO/IATA	Cooperation on tracking and scaling sustainable aviation fuels
06.2026	Argus Media	Spotlight on Renewable Diesel
07.06.2026	IATA	Middle East disruptions and high fuel prices halve airline profitability
15.06.2026	S&P Global Energy	SAF market commentary – offtake and certification
17.06.2026	IEA	Oil Market Report – June 2026
17.06.2026	S&P Global Energy	World oil market to return to surplus by year-end after Iran war shock
22.06.2026	Argus Media	US-Iran MOU, Hormuz reopening and oil market impact
29.06.2026	S&P Global Energy	European jet fuel eases from April peak; ARA stocks stay low
30.06.2026	Energy Institute	Statistical Review of World Energy 2026
07.07.2026	IEA	Gas Market Report Q3 2026
08.07.2026	Argus Media	Hopes fade for quick Mideast LNG ramp-up
08.07.2026	IMF	World Economic Outlook Update – Global Economy in Crosscurrents
09.07.2026	Argus Media	European refinery economics shift back to road fuels
10.07.2026	IEA	Oil Market Report – July 2026
13.07.2026	Argus Media	German HVO demand held back by low Rhine water levels
14.07.2026	S&P Global Energy	Global diesel market tightens as Russian export ban, Ukraine strikes bite
14.07.2026	S&P Global Energy	US jet surges to eight-week high as Gulf tension disrupts supply

DATE	PUBLISHER	ITEM
14-29.07.2026	Bloomberg	APAC Fuel Crunch – a package of analysis on LNG, crude and fuels in Asia
15.07.2026	S&P Global Energy	Long-haul clean tanker demand rises on Russian diesel export woes
02.07.2026	S&P Global Commodities at Sea	Refinery attacks boost June Russian crude exports, dampen products
16.07.2026	S&P Global Energy	Energy markets face coming stress if no new US-Iran deal reached
23.07.2026	S&P Global	Global LNG Outlook After Middle East Conflict
24.07.2026	S&P Global Energy	China focused on voluntary SAF markets over demand mandates
27.07.2026	S&P Global Energy	Japan plans to mandate 5% SAF blend from 2030
30.07.2026	Argus Media	Strait of Hormuz: Oil Supply, Freight and Market Outlook
30.07.2026	S&P Global Energy	Five months on: Middle East War impact on Atlantic Basin LNG
30.07.2026	IATA	Air Passenger Demand Falls 1.7% in June
02.08.2026	OPEC	Seven OPEC+ countries adjust production from September
05.08.2026	Argus Media	Markets ever more sensitive to disruption: Glencore
06.08.2026	Argus Media	Refined Products Through Year-End 2026 – Recovery Under Constraint
07.08.2026	Argus Media	Biofuel mandates give extra boost to US jet output
04.08.2026	World Bank	Commodity Markets Pink Sheet – August 2026
05.08.2026	S&P Global	Russian oil product exports hit decade low in July amid Ukraine strikes
12.08.2026	IEA	Oil Market Report – August 2026 (demand revised to –1.6 mn b/d)
14.08.2026	ResourceWise	Record-low Rhine water levels are disrupting Europe's biofuel market
17.08.2026	S&P Global/METI	METI subcommittee proposes 1–5% SAF supply mandate in Japan for FY2030–FY2034
29.01.2026	Argus Media	Tougher mandates promise support for EU HVO prices (2025 volume base)
ongoing	EIA	Weekly/daily petroleum series: USGC jet spot, WTI, refinery net production
ongoing	GIE/AGSI	EU gas storage fill levels

How to read this issue

SOURCE PERIOD

The main monitoring covers publications from 19 May to 19 August 2026. Older legal acts and the standing pages of institutions were used solely to explain regulation or methodology.

DOWNLOADABLE DATA

SELECTION

Material was assessed on its impact on price or availability, global reach, the durability of its effects, the credibility of the source and its relevance to European trade. Key data were checked against the primary source and against the data of an independent market agency.

PRICES

Argus and Platts values are observation points quoted in publicly available material. They do not constitute a licensed history or prices for contractual settlement. Every value was checked against the primary source before publication.

RECURRING SERIES

The four figures marked as recurring series return in every issue in the same construction and scale: the oil balance, TTF and JKM gas prices, European crack spreads and HVO demand. Their value derives from comparability between issues, which is why their methodology does not change without a note.

SCENARIOS AND COPYRIGHT

The scenarios are a tool for ordering risk, not an investment recommendation, an offer or a guaranteed forecast. Source texts have been summarised and interpreted; no external charts or longer extracts from paid publications have been reproduced.

AUTHORSHIP AND DATA VERIFICATION

This issue was prepared by the Danske Gas Intelligence team. Figures drawn from price-agency assessments were checked against the primary source before publication; where no public equivalent exists, the nearest verifiable figure is given together with its date.

DANSKE GAS

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