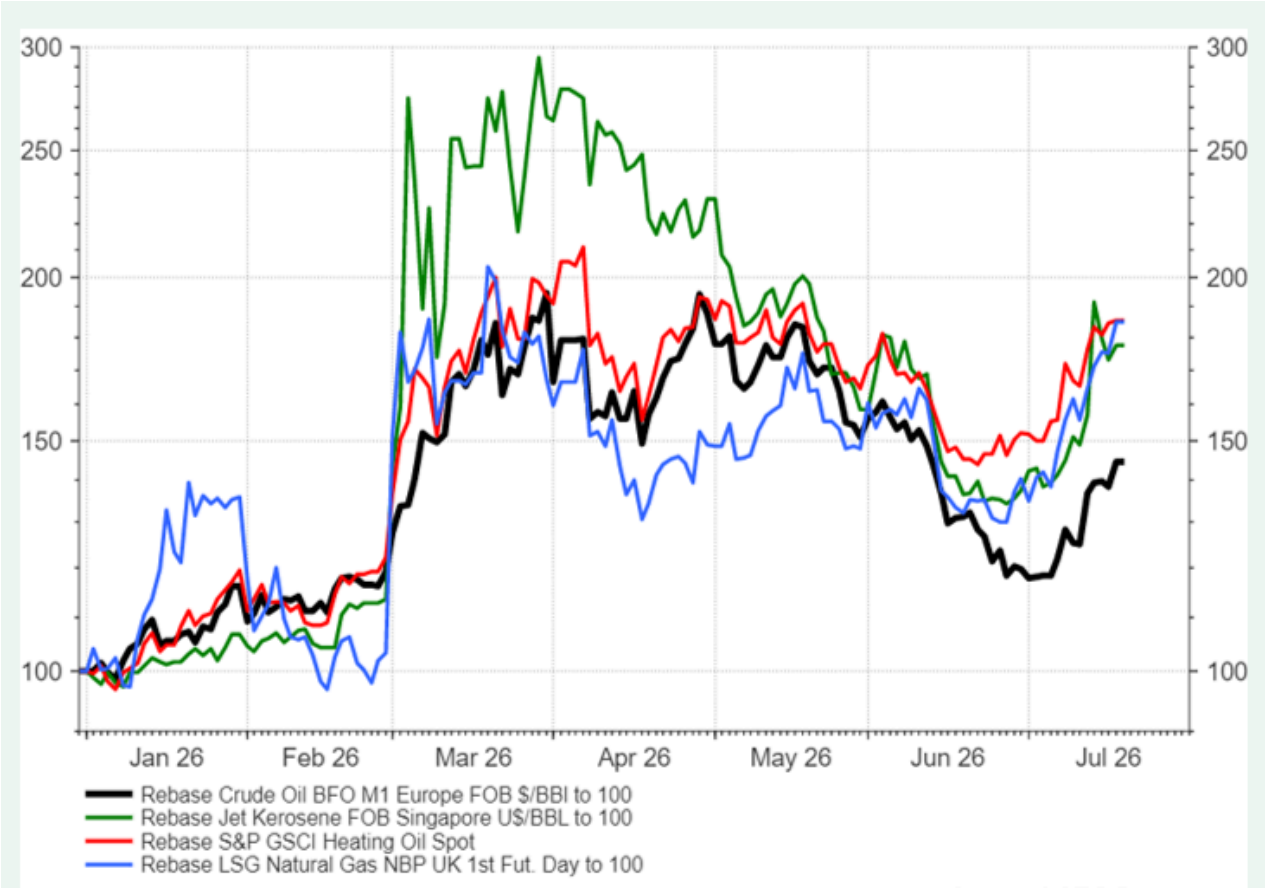
More Than Meets the Barrel

22 July 2026

It's not only oil prices impacting consumers.

Key points:

- A lot of market attention has been focused on the price of oil, which by the end of June had fallen back to its pre-war level, reflecting some extraordinary optimism over an end to the Iran conflict and a full reopening of the Strait of Hormuz.
- July has been very different: Brent crude is currently 45% higher than at the start of the year, having recovered sharply from the falls seen in June.
- Elsewhere, other oil-related prices are reflecting a more fundamentals-based assessment of what is a very tight market, with constrained supply and falling inventories.
- Oil may be up an uncomfortable 45%, but Jet kerosene is 77% higher.
- President Trump likely will not be happy that US heating oil costs are 86% higher, with some US homes using heating oil rather than natural gas for central heating.
- And the new Prime Minister, Andy Burnham, is facing a very unpleasant cost-of-living crisis, with UK gas prices 85% higher. Customer price increases for October 2026 and January 2027 are now factored in. Given the low levels of European gas storage, a winter supply crunch is a very real possibility.
- Financial year to date, UK government borrowing is already trending much higher than last year and rising gas prices threaten to make that trend even worse. The implications for gilt yields are clearly not positive.


300
250
200
150
100
Jan 26
Feb 26
Mar 26
Apr 26
May 26
Jun 26
Jul 26
Rebase Crude Oil BFO M1 Europe FOB $/BBl to 100
Rebase Jet Kerosene FOB Singapore U$/BBL to 100
Rebase S&P GSCI Heating Oil Spot
Rebase LSG Natural Gas NBP UK 1st Fut. Day to 100

DISCLAIMER

This is published for information purposes only and does not constitute financial or investment advice and examples are for illustrative purposes only. The guidance and/or information contained within this document is subject to the UK regulatory regime and is therefore only relevant to consumers based in the UK. Any comments and data should not be taken to specify any products or actions and should not be construed as a solicitation or offer, or recommendation to acquire or dispose of any product or investment in any jurisdiction. While all reasonable efforts are made to obtain information from sources which are accurate at the date of production no representation is made or warranty provided that the information or any opinions contained in this document are accurate, reliable or complete. The information and any opinions expressed are based on current conditions, certain assumptions and are subject to change without notice. Any user must, in any event, conduct their own independent due diligence and investigations, together with their professional advisers, into legal, regulatory, tax, credit and accounting matters before making decisions rather than relying on any of the information given. We will make every effort to correct errors brought to our attention.

Produced by Collidr Asset Management Ltd on behalf of Kirk Rice LLP which is authorised and regulated by the Financial Conduct Authority (registered number 531538) and is registered in England and Wales (registered number OC354936). Registered office: The Courtyard, High St Ascot, SL5 7HP.

Sources: Collidr, Bloomberg. Indices: Barclays, FTSE, Bloomberg, STOXX, Japan Exchange Group, MSCI, S&P, New York Mercantile Exchange, Chicago Mercantile Exchange, Bureau of Labour Statistics, US and Office for National Statistics, UK.

www.kirkrice.co.uk | info@kirkrice.co.uk