

Giant Capital

July 2026 Report

1.0 Market and Portfolio Commentary

1.1 Macro Industry Commentary

General Market Commentary

US Henry Hub prompt gas prices fell in July with relatively cool weather in the major population centres of the North-East delivering reduced demand for air-conditioning. Month-on-month the prompt fell from \$3.28/mmbtu at close on 30 June to \$2.75/mmbtu at close on 31 July. Calendar 2026 also fell, beginning July at \$3.41/mmbtu and ending at \$3.06/mmbtu.

Transit through the Strait of Hormuz remained severely restricted, although periodic announcements of impending resolution to the conflict from US authorities satisfied the market that oil supply will shortly return to surplus. The result of these conflicting signals was elevated oil price volatility. The prompt began July at \$69.50/bbl and closed the month at \$86.67/bbl. Calendar 2026 rose from \$69.09/bbl to \$79.50/bbl.

China is ordinarily the largest importer of energy products shipped through the Strait of Hormuz. A drastic reduction in China's net imports of fossil fuels since US/Iranian hostilities commenced at the end of February has effectively acted as a shock absorber for global energy prices through reduced demand. Net imports of crude oil collapsed in China and the rest of Asia beginning in March but recovered in the rest of Asia to 2025 levels by June while continuing to fall in China through the first half of July (Figure 1).

Figure 1: Net Seaborne Imports of Crude Oil & Condensate (Source: Kpler, via GS)

Exhibit 3: China Crude Oil Net Imports Continue to Fall While the Rest of Asia Recovers to 2025 Levels



Charts reference visible net imports of crude oil by sea from Kpler data.

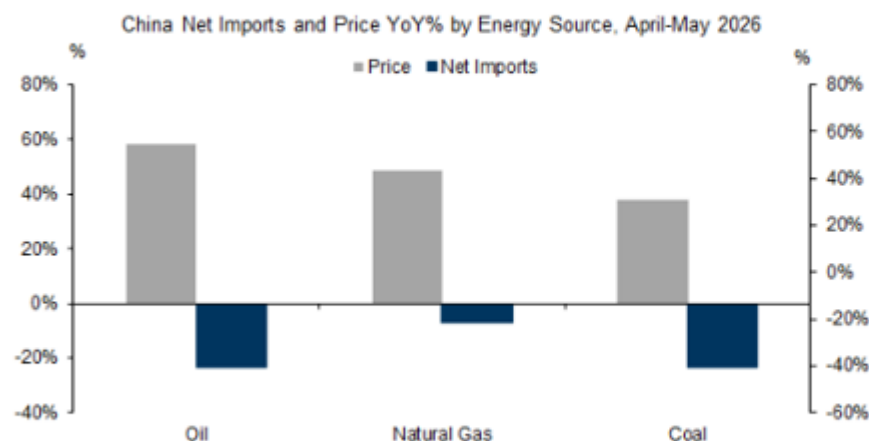
Source: Kpler, Goldman Sachs Global Investment Research

Year-on-year for the period April to May 2026, China's net imports of natural gas and coal also fell in response to higher prices (Figure 2).

Figure 2: Cina Net Imports and Price YoY% (Source: various, via GS)

Exhibit 4: China Fossil Fuel Net Imports Have Fallen Amid Higher Prices

YoY% Change in April-May Average, 2026



\["Oil\]" net imports cites data on net seaborne crude imports from Kpler and pipeline crude imports from Petrologistics.

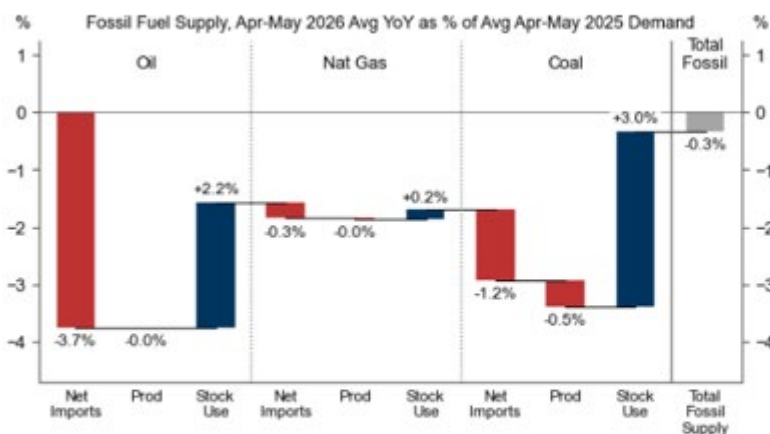
Source: Wind, SX Coal, SIA, Kpler, PetroLogistics, Platts, Goldman Sachs Global Investment Research

In recent years China has significantly increased its domestic fossil fuel reserves, the period since March this year has seen large draws on this inventory (Figure 3).

Figure 3: Cina Fossil Fuel Supply (Source: various, via GS)

Exhibit 5: Effective Fossil Fuel Destocking Filled in for Lower Imports and Production

The units here are percentage point contributions to total energy demand growth.



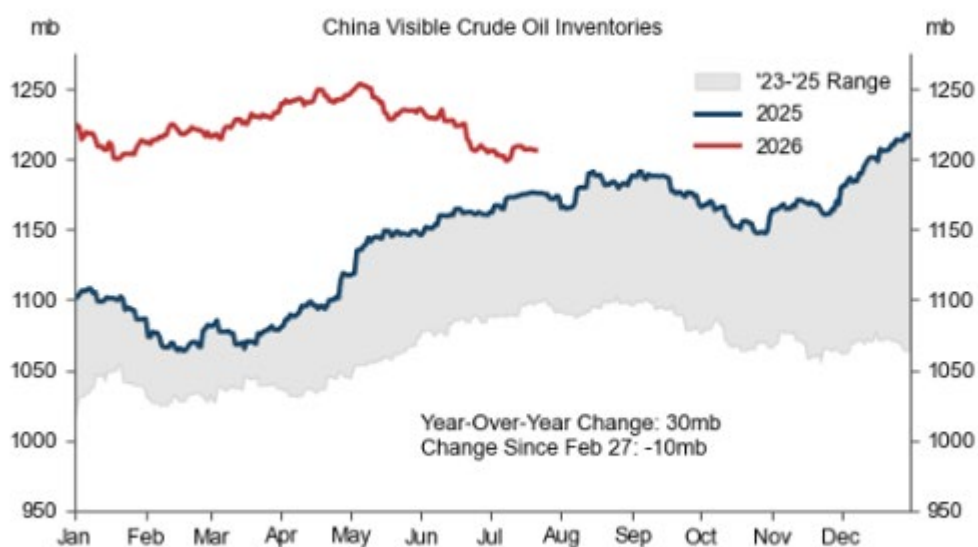
\["Stock Use\]" is the difference in average inventory drawdowns in April-May 2026 compared to April-May 2025, expressed as a percentage of average April-May 2025 total energy demand. We cite thermal coal inventory data from SX Coal. We cite SIA estimates of natural gas storage injections based on visible supply and demand. Owing to less visible oil inventories, we estimate oil inventory use as implied by S&P and NBS crude throughput and products demand data, net imports data from Kpler, and production data from the IEA.

Source: IEA, Wind, SX Coal, SIA, Kpler, PetroLogistics, National Bureau of Statistics of China, Haver Analytics, S&P Global Market Intelligence, Goldman Sachs Global Investment Research

China's visible crude inventories increased by over 100mmbbl during 2025 but have fallen by 10mmbbl since 28 February (Figure 4).

Figure 4: Cina Visible Crude Oil Inventories (Source: Kpler, via GS)

Exhibit 6: China's Visible Crude Inventories Grew in 2025 but have Fallen During the War



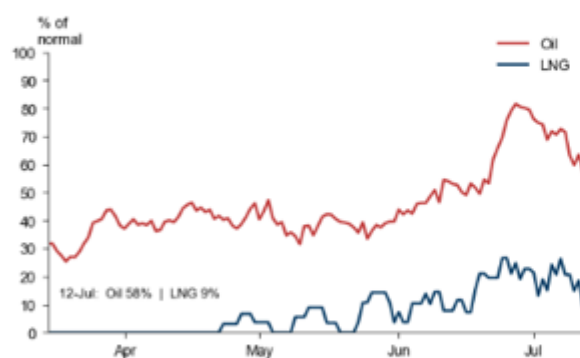
Source: Kpler, Goldman Sachs Global Investment Research

LNG export volumes through the Strait of Hormuz have been a lower percentage of normal than oil volumes since the conflict began (LHS, Figure 5). While China's oil imports have continued to decline, after early falls China's LNG imports are now up year-on-year (RHS, Figure 5).

Figure 4: Persian Gulf Exports and China Change in Oil and Natural Gas Imports (Source: Kpler, via GS)

Exhibit 1: LNG exports from the Persian Gulf have been slower to ramp than oil exports

Percent of normal exports from the Persian Gulf (7dma), %



Oil includes total oil liquids.

Source: Kpler, Goldman Sachs Global Investment Research

Exhibit 2: China LNG imports are back up yoy, while crude oil imports have decreased further

China yoy change in imports (4wma), %



Source: Kpler, Goldman Sachs Global Investment Research

With diminished Qatari LNG supply (LHS, Figure 6) and very low NW European gas inventories (RHS, Figure 6), international LNG prices are likely to remain high.

Figure 6: Qatar LNG Loading and NW European Gas Storage (Source: various, via GS)

Exhibit 3: The recent decline in Hormuz LNG crossings will likely drive Qatari LNG loadings further down relative to our base case

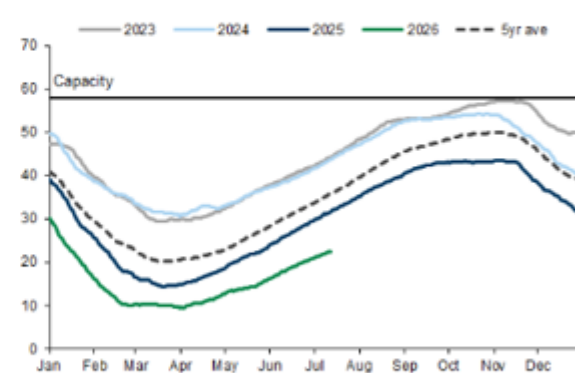
Qatar LNG loadings (weekly), mtpa



Source: Kpler, Goldman Sachs Global Investment Research

Exhibit 4: NW European gas inventories remain very low

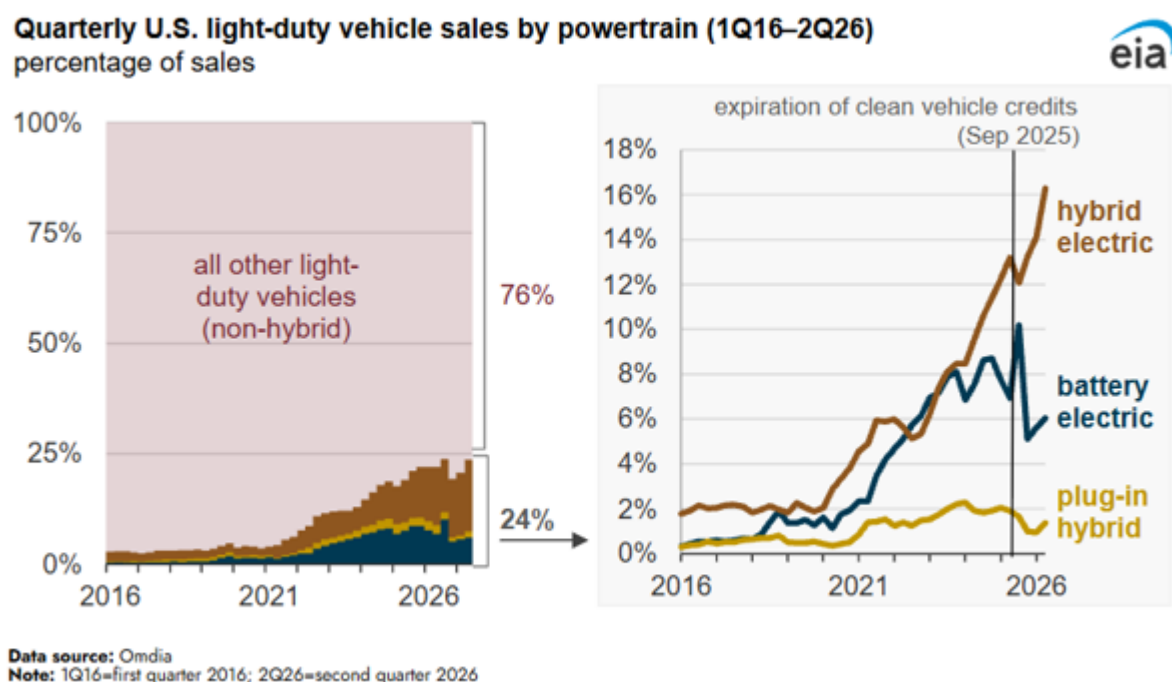
NW European storage, Bcm



Source: Bloomberg, Goldman Sachs Global Investment Research

Between 2Q25 and 2Q26, hybrid electric vehicles continued to gain market share in the United States, reaching a record 16% of light-duty vehicle sales. Over the same period, the market shares of battery electric and plug-in hybrid electric vehicles decreased, according to estimates from Omdia. In 2Q26, battery electric vehicle sales were 6% of new light-duty vehicles sold, down from 7% in 2Q25; plug-in hybrid electric vehicle sales fell from 1.9% to 1.4% over the same period (Figure 7). Battery electric and plug-in hybrid electric vehicles can consume electricity from the grid, which affects electricity demand. Hybrid electric vehicles consume liquid fuels and do not connect to the grid.

Figure 7: Quarterly US Light-Duty Vehicle Sales by Powertrain (Source: Omdia, via EIA)



The latest Baker Hughes rig count data follows. In July, US total land rigs increased from 567 to 572. Total oil rigs rose from 445 to 454, gas rigs fell from 126 to 124.



NORTH AMERICA Rotary Rig Count

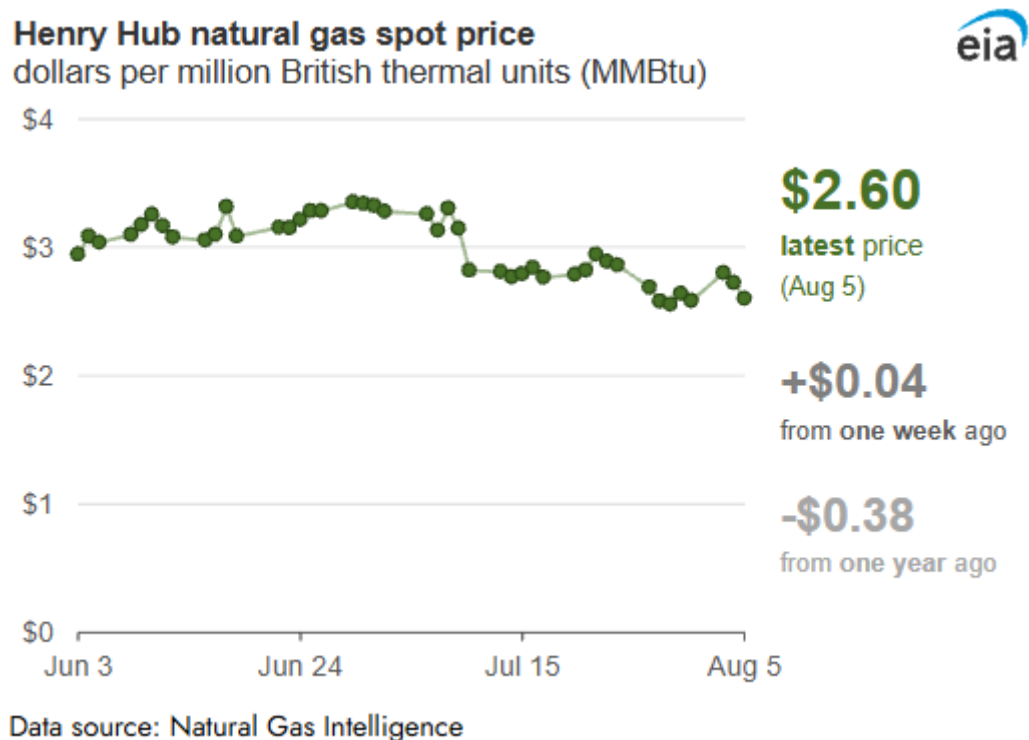
07/08/2026

Location	Week	+/-	Week	+/-	Year Ago
Inland Waters	2	-1	3	0	2
Land	572	0	572	48	524
Offshore	14	1	13	1	13
United States Total	588	0	588	49	539
Gulf of Mexico	12	1	11	2	10
Canada	216	-3	219	36	180
North America	804	-3	807	85	719
U.S. Breakout Information	This Week	+/-	Last Week	+/-	Year Ago
Gas	124	-3	127	1	123
Oil	454	3	451	43	411
Miscellaneous	10	0	10	5	5
Directional	50	-1	51	-4	54
Horizontal	526	3	523	55	471
Vertical	12	0	12	-2	14

Gas Market

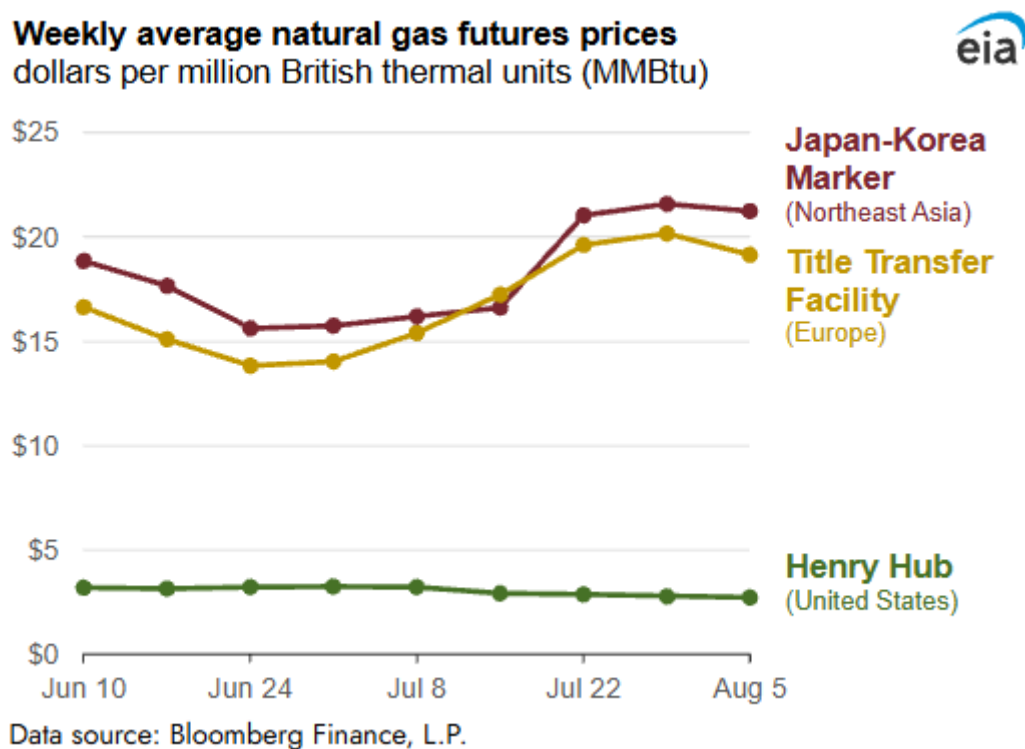
Henry Hub prompt prices fell below \$3.00/mmbtu in July with cooler weather in the North-East and lower LNG export demand because of seasonal maintenance combining to reduce demand (Figure 8).

Figure 8: Henry Hub Natural Gas Spot Price (Source: EIA)



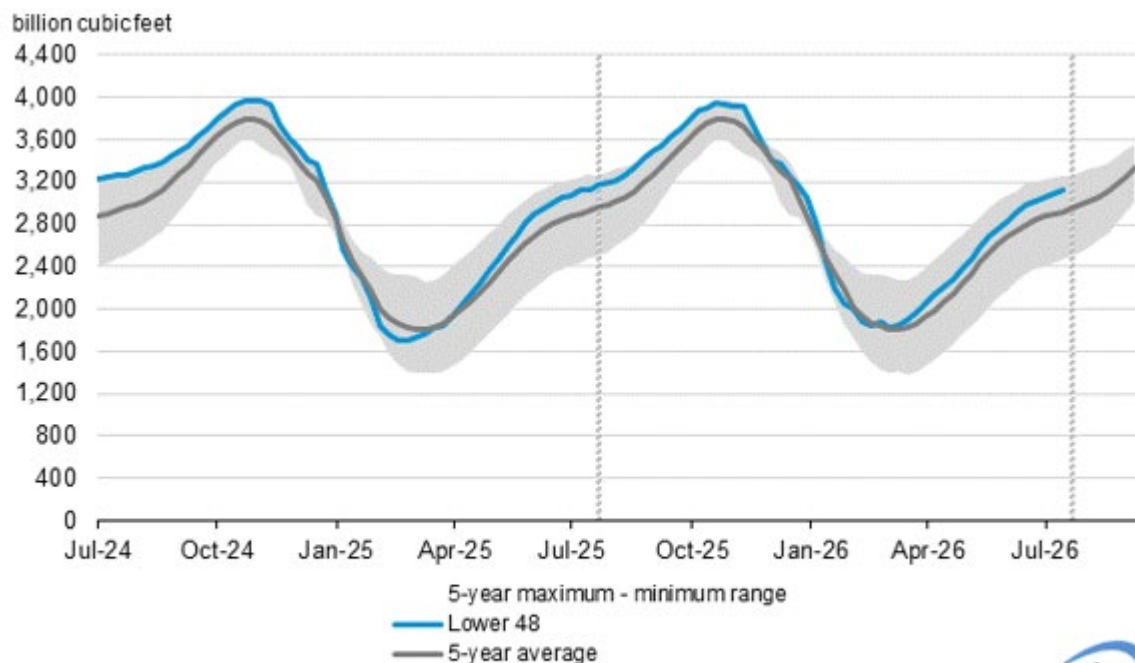
International natural gas prices, as represented by TTF for Europe and JKM for Asia, averaged \$19.14/mmbtu and \$21.23/mmbtu respectively during the last week of July (Figure 9). Compared to the week ending February 25, before LNG deliveries via the Strait of Hormuz were disrupted, TTF and JKM prices in the last week of July were up by 74% and 99% respectively.

Figure 9: Weekly Average Natural Gas Futures Prices (Source: Bloomberg, via IEA)



Working gas in storage was 3,117bcf as of 31 July 2026, according to EIA estimates, an increase of 33bcf from the previous week. Stocks were 12bcf less than last year at this time and 195 bcf above the five-year average of 2,992bcf (Figure 10).

Figure 10: US L48 Natural Gas in Storage (Source: EIA)



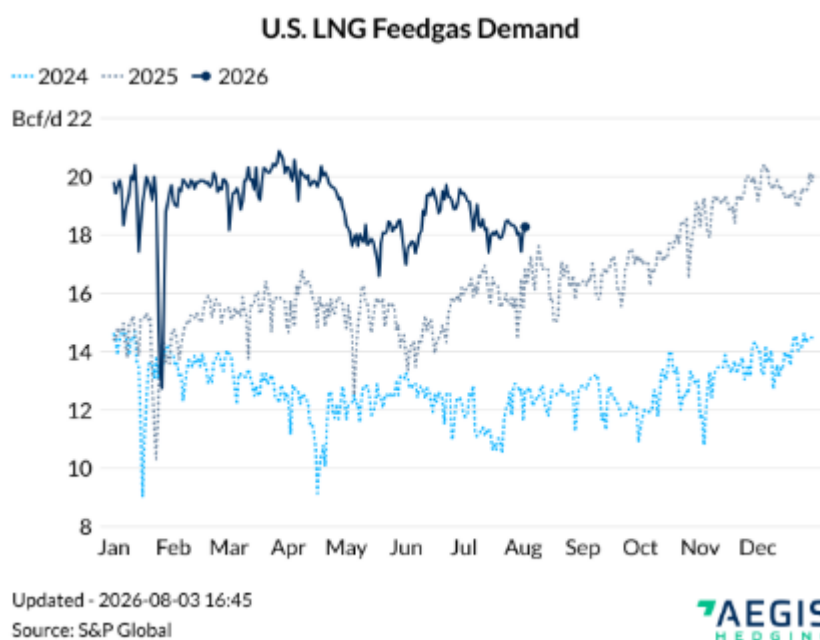
Data source: U.S. Energy Information Administration



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2021 through 2025. The dashed vertical lines indicate current and year-ago weekly periods.

US LNG feedgas demand remained around 18 bcf/d in July due to ongoing scheduled maintenance (Figure 11).

Figure 11: US LNG Feedgas Demand (Source: S&P, via AEGIS)

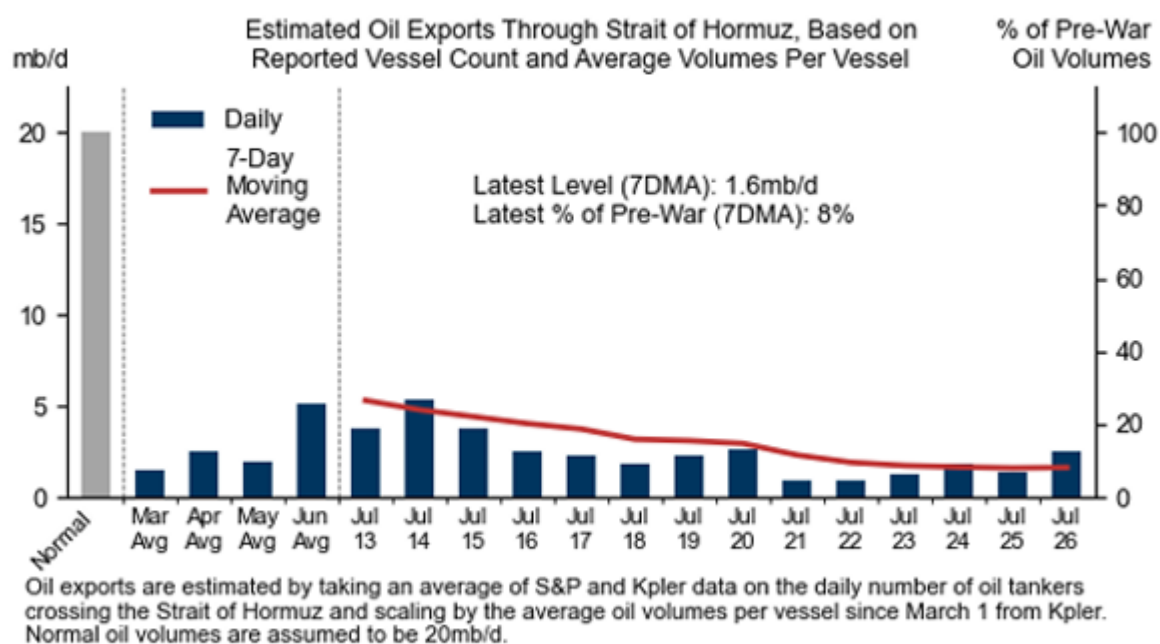


Oil Market

Oil exports through the Strait of Hormuz at the end of July were 1.6mmbld, approximately 8% of pre-conflict average volumes (Figure 12).

Figure 12: Estimated Oil Exports through the Strait of Hormuz (source: Kpler, via GS)

Exhibit 2: Flows Through the Strait of Hormuz Stand at 8% of Pre-War Levels (7-Day Moving Average)

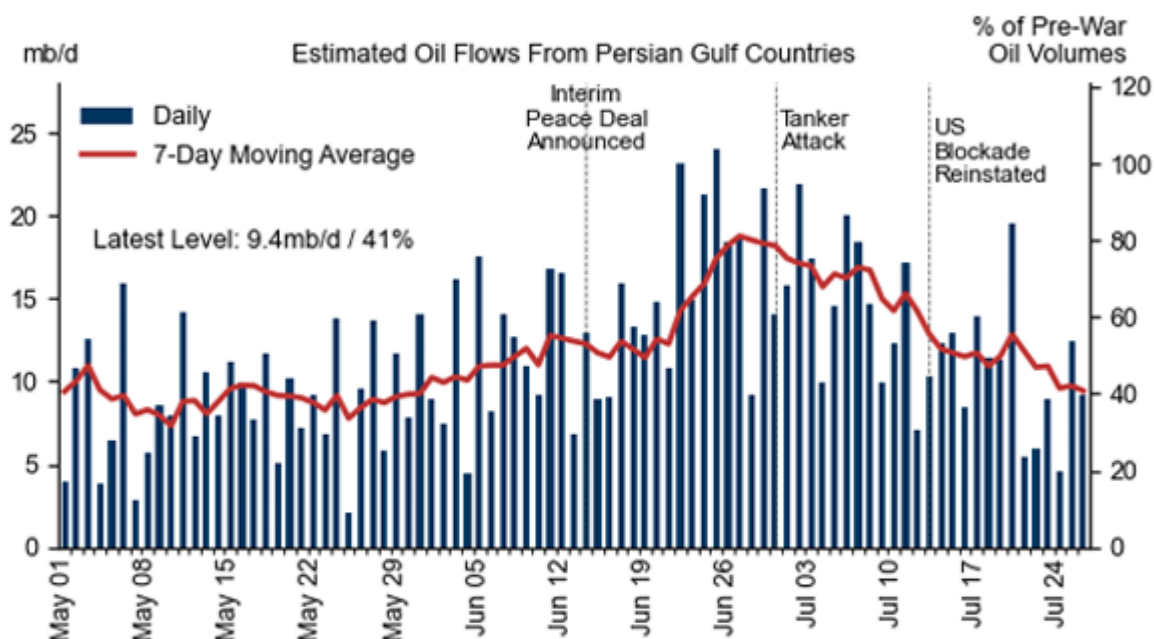


Source: Kpler, S&P Global Commodities at Sea, Goldman Sachs Global Investment Research

Total oil exports from the Persian Gulf are estimated at 9.4mmbld, 41% of pre-war levels, down from 80% in late June before renewed tanker (Figure 13).

Figure 13: Estimated Persian Gulf Oil Supply (Source: Kpler, via GS)

Exhibit 1: Oil Exports From the Persian Gulf Are at 41% of Pre-War Levels (7-Day Moving Average), Down from 80% in Late June Before Renewed Tanker Attacks

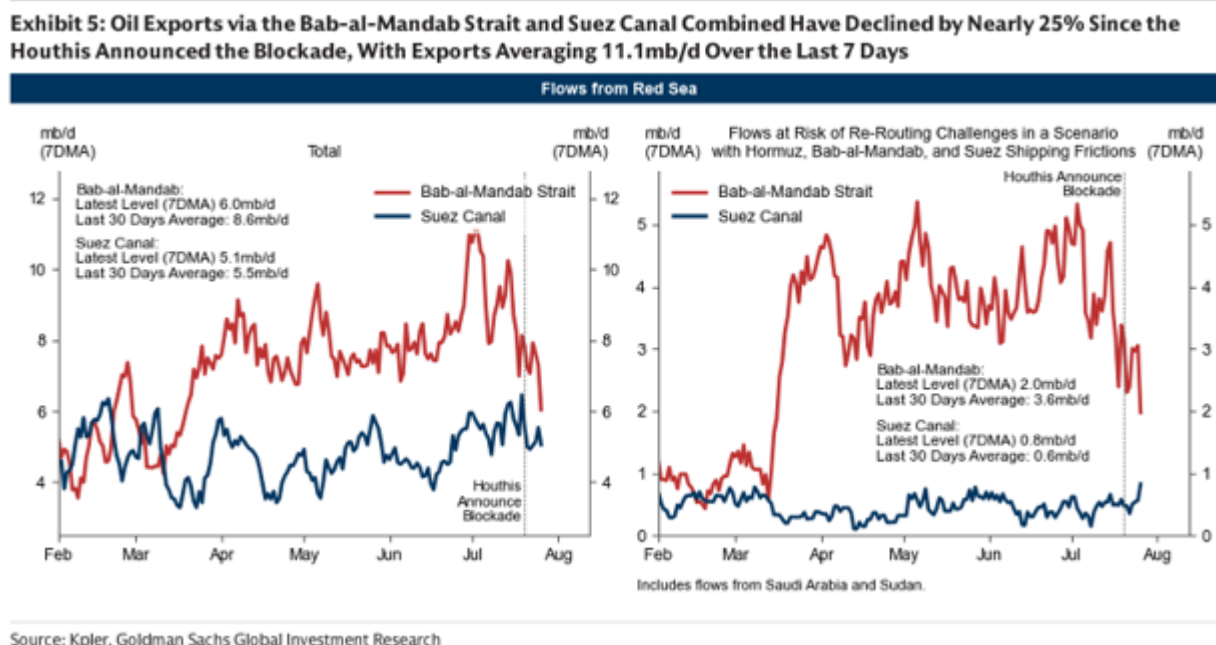


Includes flows through the Strait of Hormuz, Yanbu, Fujairah, Gulf of Oman, and Botas Ceyhan. Yanbu is on the west coast of Saudi Arabia, bordering the Red Sea and connected to Saudi eastern oil fields via the East-West pipeline. Fujairah lies east (outside) of the Strait of Hormuz and is connected to Abu Dhabi's onshore fields via the Abu Dhabi Crude Oil Pipeline (ADCOP). The Gulf of Oman connects the Strait to the Arabian Sea (southeast). The Kirkuk-Ceyhan pipeline allows northern Iraqi crude to be pumped through Türkiye to the Mediterranean sea. "Normal" flows are assumed to be 20mb/d for Strait of Hormuz and 2025 average for Yanbu (1.4mb/d), Fujairah (1.7mb/d), Gulf of Oman (0mb/d), and Botas Ceyhan (0mb/d).

Source: Kpler, S&P Global Commodities at Sea, Goldman Sachs Global Investment Research

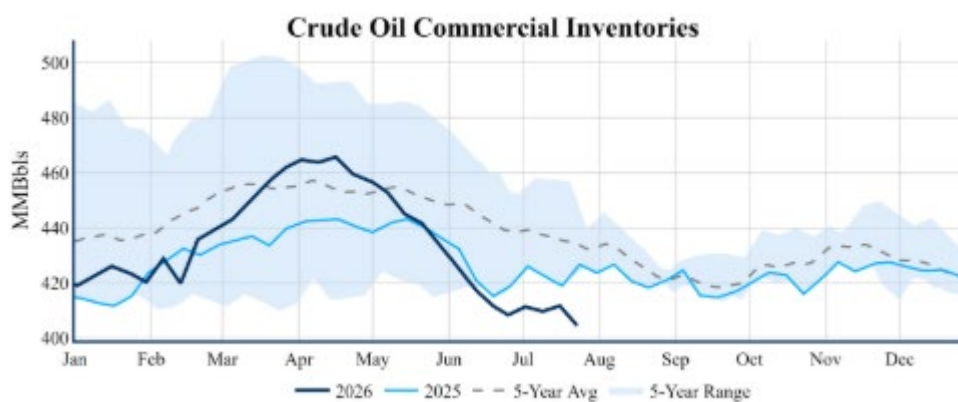
Oil exports via the Bab-al-Mandab Strait and Suez Canal combined have declined by nearly 25% since the Houthis announced a blockade of the Red Sea, exports averaged 11.1mbbld over the 7 days from 21 to 27 July (Figure 14).

Figure 14: Flows from the Red Sea (Source: Kpler, via GS)



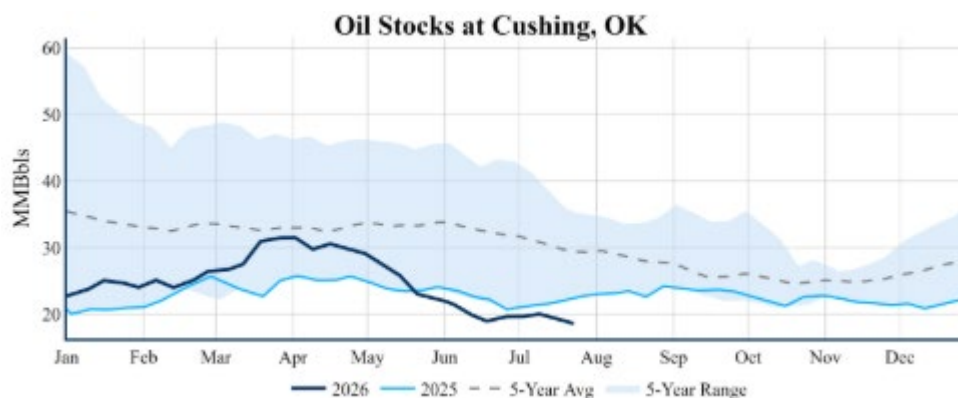
Commercial crude oil inventories in the US fell to 404.5mmbbld on 29 July. This is 21.1mmbbbs (5%) lower than last year at this time and 29.3mmbbbs (6.8%) lower than the five-year average (Figure 15).

Figure 15: Crude Oil Inventories (Source: EIA)

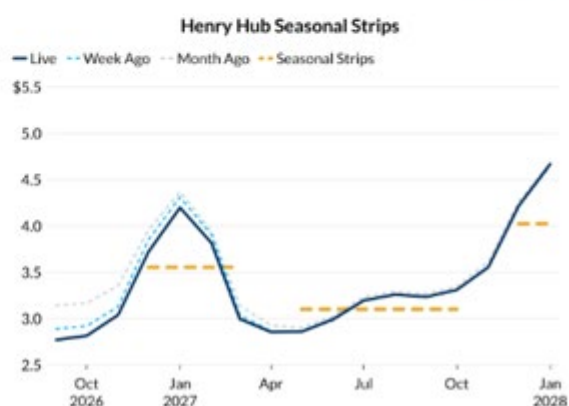
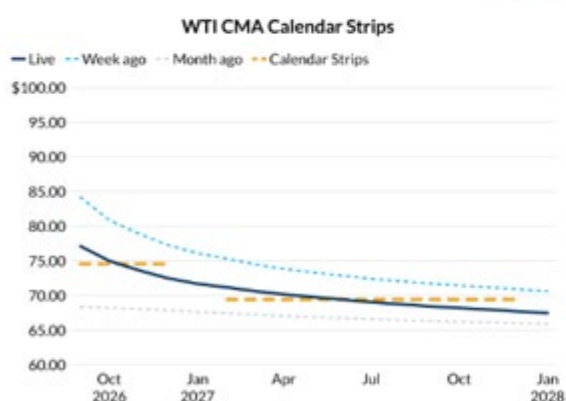
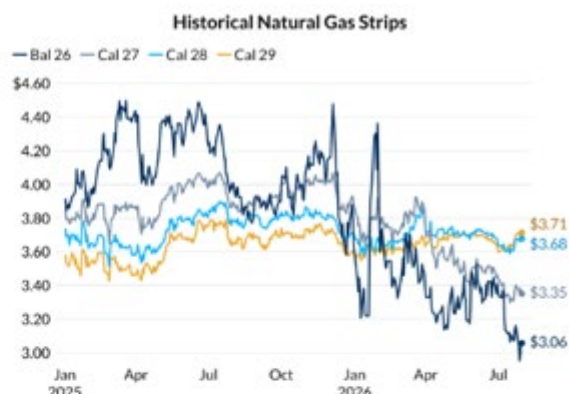


Oil stocks at Cushing, OK, the physical delivery location for the WTI future contract, dropped below 20 mmbbbs (Figure 15).

Figure 16: Oil Stocks at Cushing, OK (Source: EIA)



Gas and Oil Prices 3 August 2026



Crude Oil Swap Pricing

	2026	2027	2028	2029
NYMEX WTI	\$75.11	\$69.66	\$66.97	\$65.41
LLS	\$76.13	\$71.36	\$69.21	\$67.91
Mars	\$73.89	\$68.65	\$65.71	\$64.40
Dubai	\$74.34	\$72.01	\$70.11	\$69.11
WCS-WTI	-\$16.05	-\$14.99	-\$15.08	NaN
ICE Brent	\$79.54	\$74.19	\$71.44	\$70.29
Dated Brent	\$81.53	\$74.57	\$71.46	\$70.31
West TX Sour (WT5)	\$73.54	\$68.15	\$66.46	\$64.90

Updated - 2026-08-03 12:46
Table: As of previous day settle

Natural Gas Liquids

	Month 1	2026	2027	2028
MBV x-TET C2	\$0.240	\$0.242	\$0.226	\$0.221
MBV x-TET C3	\$0.670	\$0.683	\$0.659	\$0.622

Natural Gas Basis Swap Pricing

	prompt	Winter 26/27	Summer 26	Winter 27/28	Summer 27
Henry Hub Fixed	\$2.747	\$3.523	\$2.767	4.000	\$3.079
Panhandle East	-\$0.420	-\$0.114	-\$0.442	-0.157	-\$0.468
Eastern Gas South	-\$0.860	-\$0.601	-\$0.951	-0.611	-\$0.804
Waha	-\$1.030	-\$1.081	-\$1.059	-1.792	-\$1.465
TETCO M3	-\$0.718	\$2.166	-\$0.833	2.019	-\$0.647
Houston Ship Channel	-\$0.355	-\$0.463	-\$0.382	-0.262	-\$0.372
Columbia Gulf Mainline	-\$0.380	-\$0.229	-\$0.365	-0.231	-\$0.288
NGPL TXOK	-\$0.373	-\$0.410	-\$0.363	-0.310	-\$0.355
SOCAL	\$0.598	\$0.344	\$0.086	0.776	\$0.029
AECO	-\$1.603	-\$1.740	-\$1.595	-1.860	-\$1.549
Chicago City-Gates	-\$0.275	\$0.224	-\$0.301	0.279	-\$0.282

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