

CHART 2025-03: THE IMPACTS OF THE U.S. 2024 PRESIDENTIAL ELECTION ON PETROLEUM AND NATURAL GAS EQUITIES

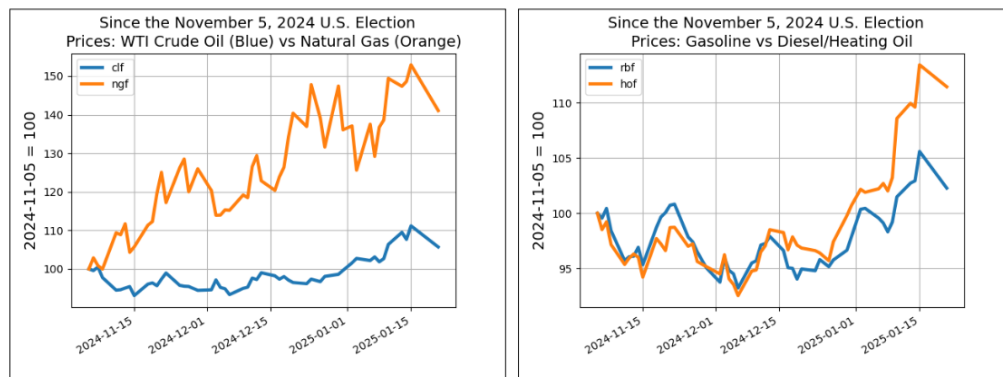
WASHINGTON/NEW YORK, January 22, 2025 – “Stock and commodity prices are buffeted by a variety of things, some more impactful than others. Notably, in the medium to longer term they reflect market sentiment, whether optimistic or pessimistic, of future expectations,” said Max Pyziur, EPRINC’s Research Director. “Events such as election results and central bank announcements are two types of events that can strongly affect market prices and shape subsequent market sentiment.”

Energy was an important issue during the 2024 U.S. Presidential Election with petroleum and natural gas interests favored by President Donald Trump. Upon inauguration, President Trump signed several executive orders supportive of domestic petroleum and natural gas.

Since the election, crude oil and natural gas prices have diverged. Certainly, with the January 2024 curtailment of LNG liquefaction plant permitting (aka "the LNG Pause"), and President Trump's pledge to lift it, natural gas prices have shown the election results to be auspicious. Crude oil prices, while slightly up since November, have been lackluster due to global bearish sentiment and mild over-supply (*Figure 1-Left Pane*).

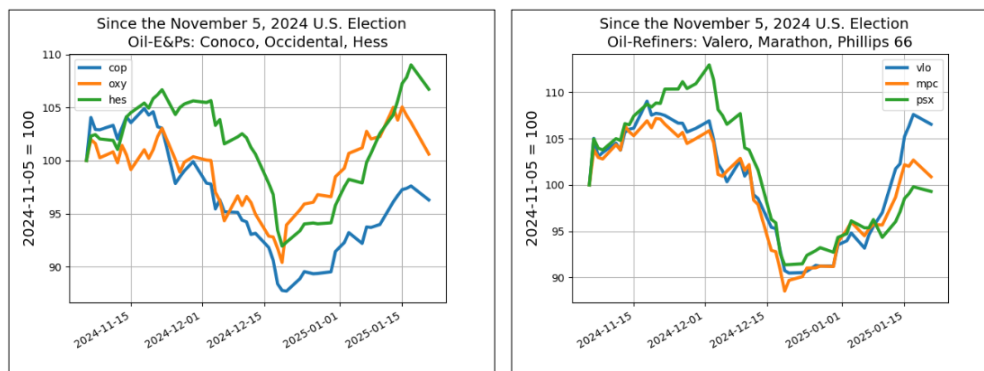
Despite being flat initially, petroleum product prices have risen since mid-December (*Figure 1-Right Pane*).

Figure 1



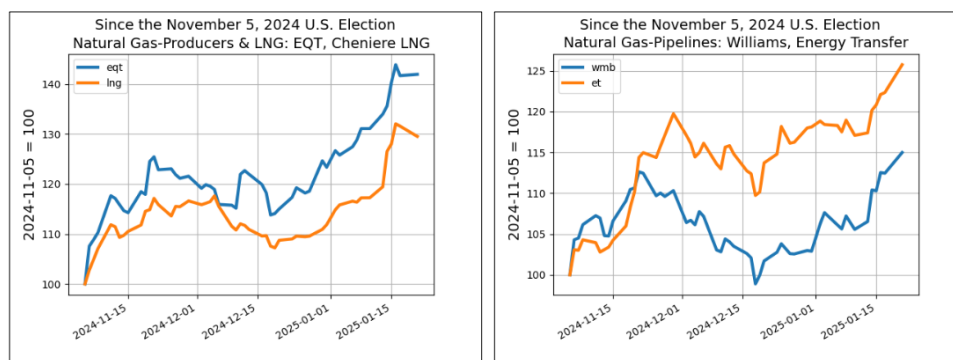
Crude oil producers' and refiners' prices declined following the election, hitting a trough on the December 19, 2024 U.S. Federal Reserve's meeting and Fed Funds rate decision. While the Fed lowered rates following the meeting, the Bank's guidance indicated a slowing to any future downward rate moves. The impact of this action prevailed on petroleum producers' and refiners' stock prices over any possible impact the election had made. However, since mid-December, their prices have recovered (Figure 2).

Figure 2



The rising prices of natural gas equities – producers, LNG liquefaction, and pipeline entities alike – clearly reflect an auspicious sentiment to their prospects (Figure 3).

Figure 3



The data source for all charts here is Yahoo Finance.

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More information on EPRINC's Chart of the Week is available at: <https://eprinc.org/chart-of-the-week/>.

Contact

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