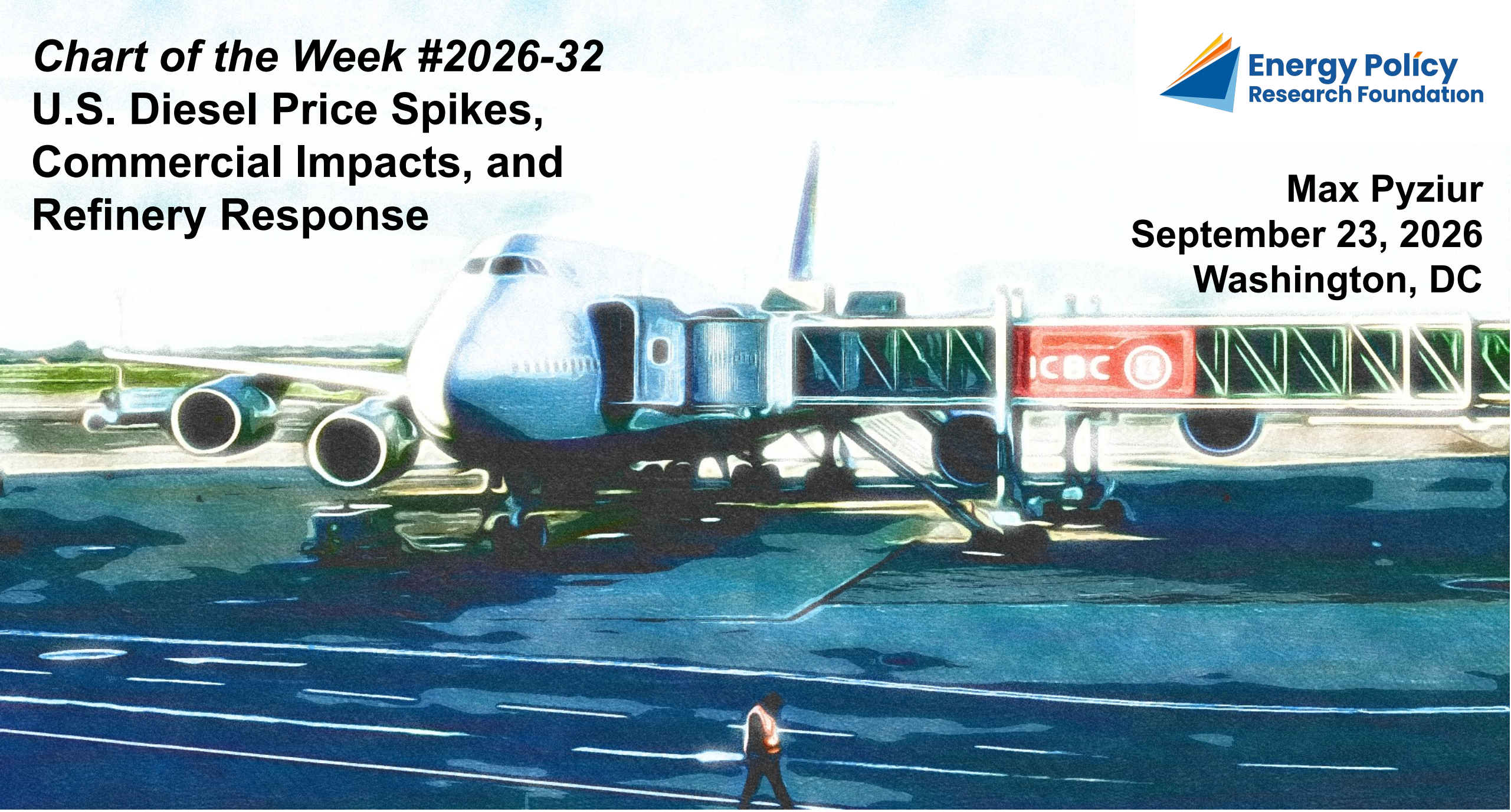
Chart of the Week #2026-32
U.S. Diesel Price Spikes, Commercial Impacts, and Refinery Response

Max Pyziur

September 23, 2026

Washington, DC



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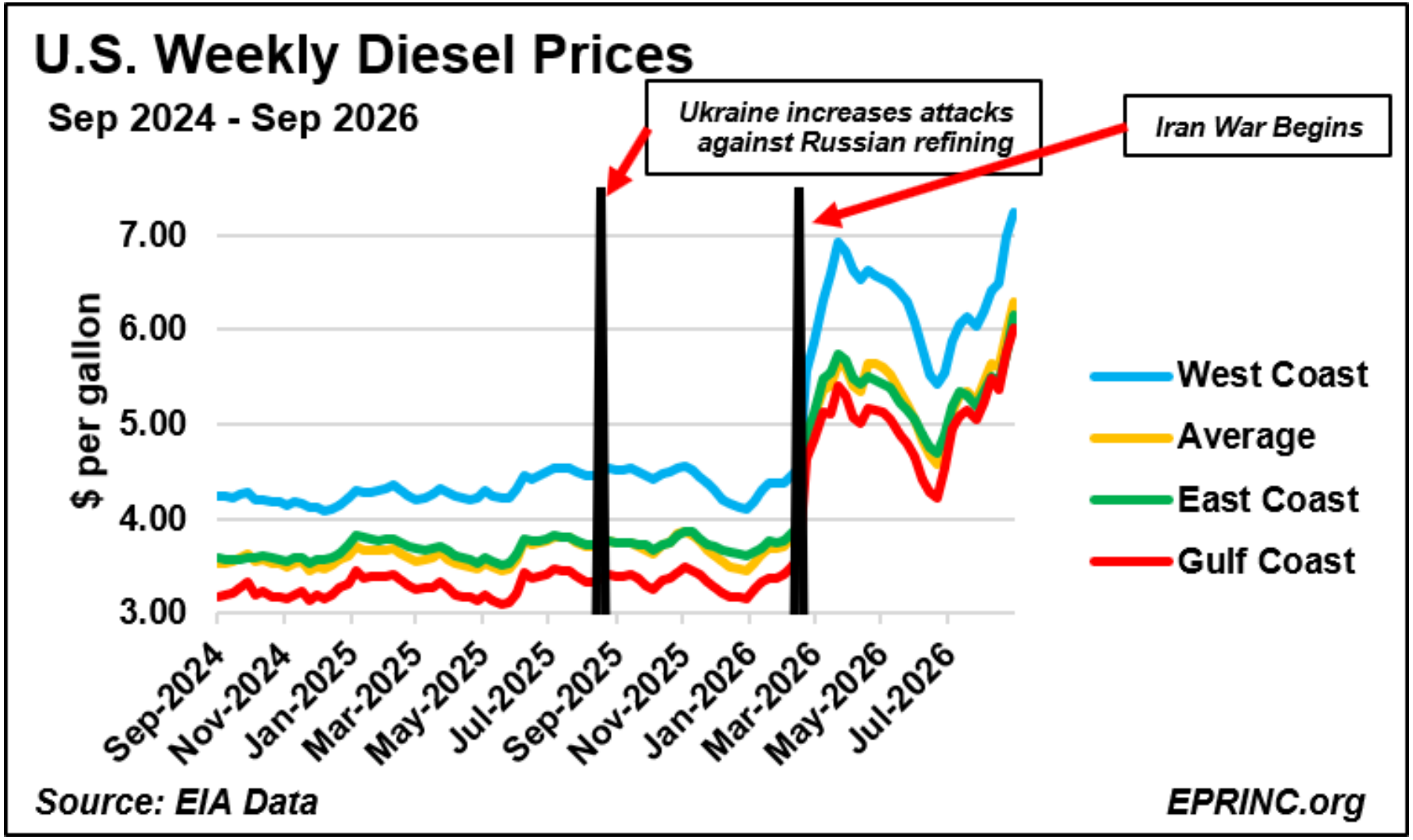

With little cessation in hostilities and the substantial impairment to Persian Gulf and Russian refining capacity, global diesel prices have risen. The U.S. national weekly average diesel price has risen above $6 per gallon with West Coast prices breaching $7

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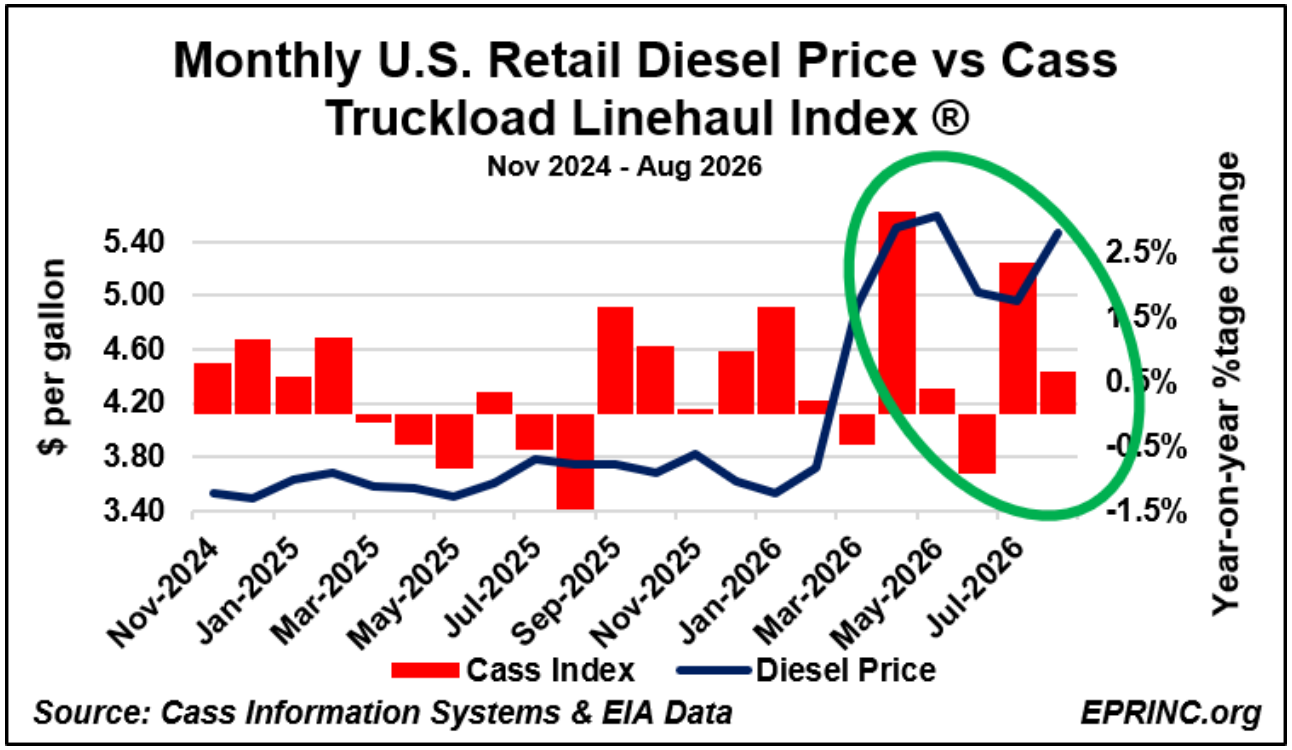

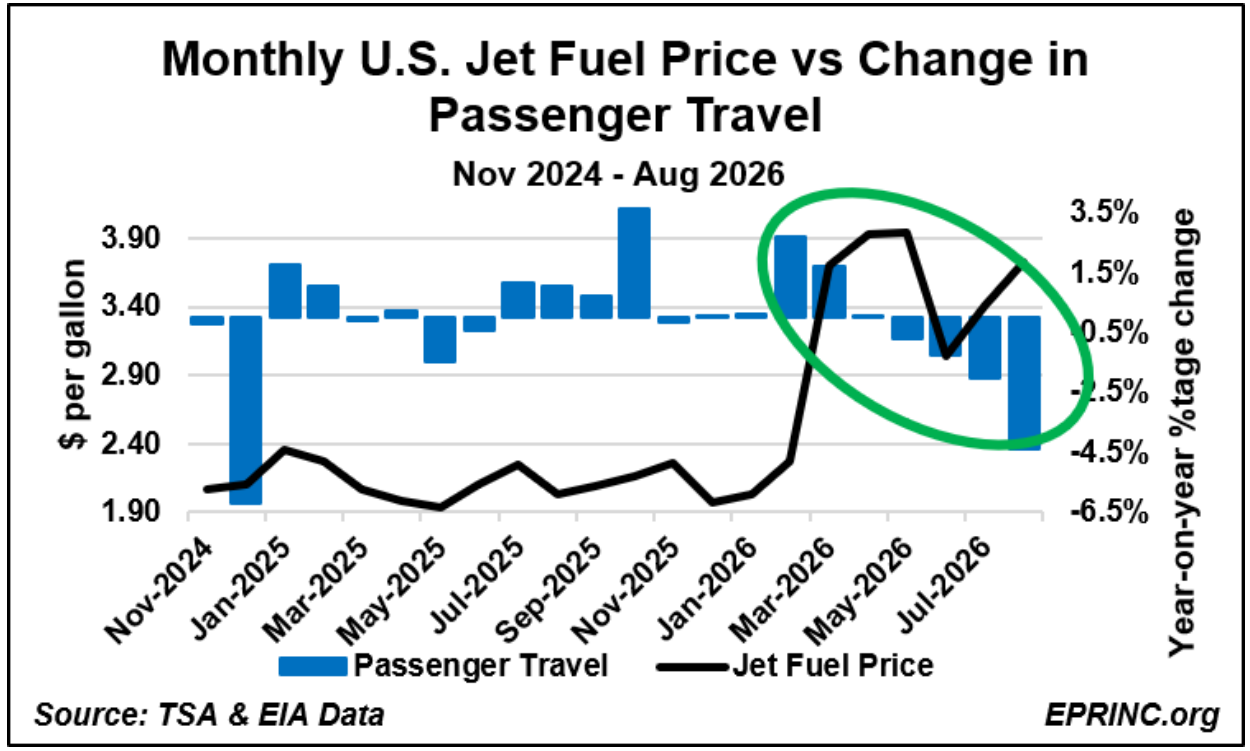

Impact on U.S. commercial activity is varied. Despite increased diesel prices and except for one month, changes in trucking activity have continued to be positive year-on-year from March through August 2026.

Jet fuel, primarily kerosene, is produced from a subset of diesel molecules. It is also vulnerable to global supply shortages. With 80% of jet travel being discretionary and higher fuel costs passed on to passengers, the degradation in U.S. air travel over the last six months is unambiguous

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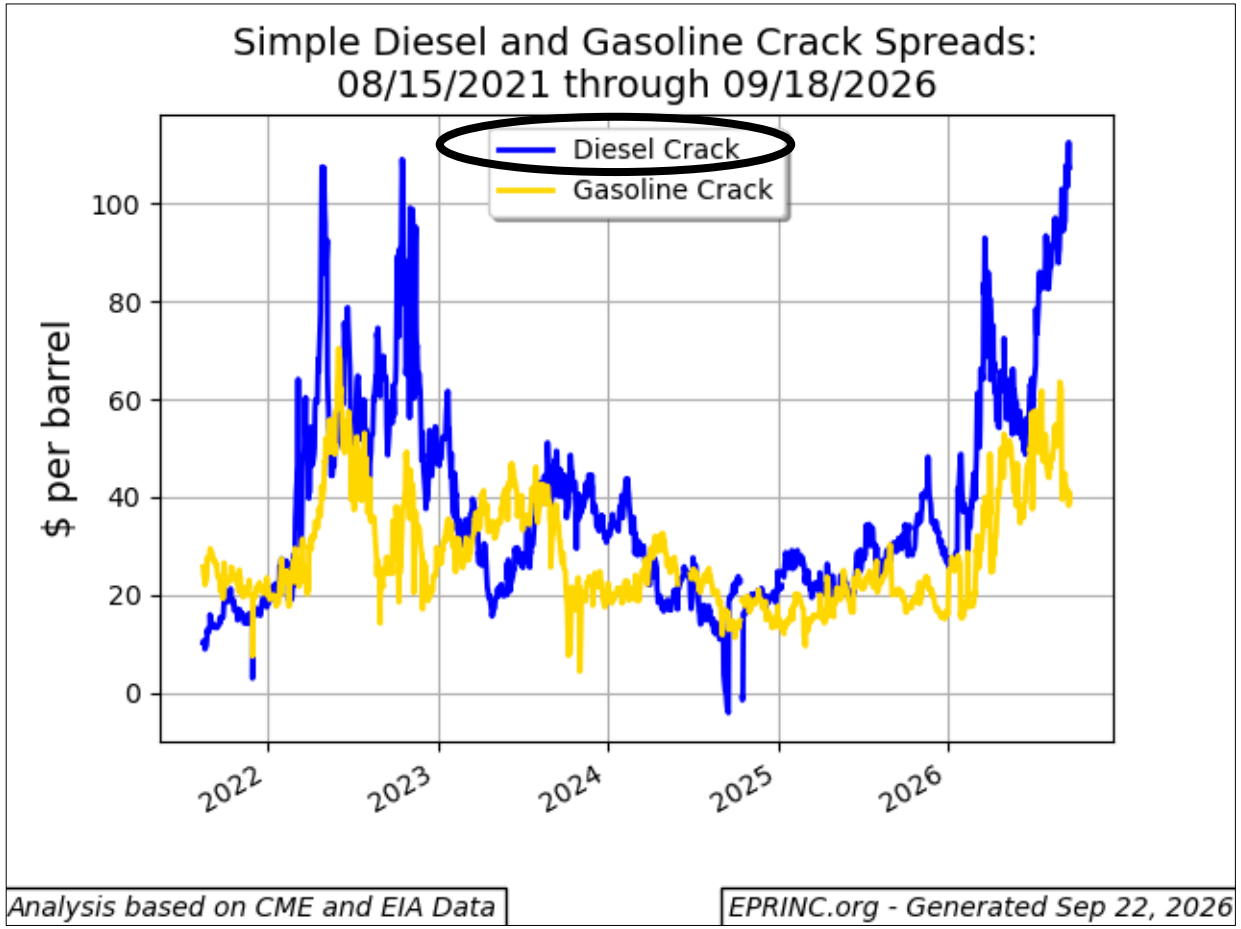

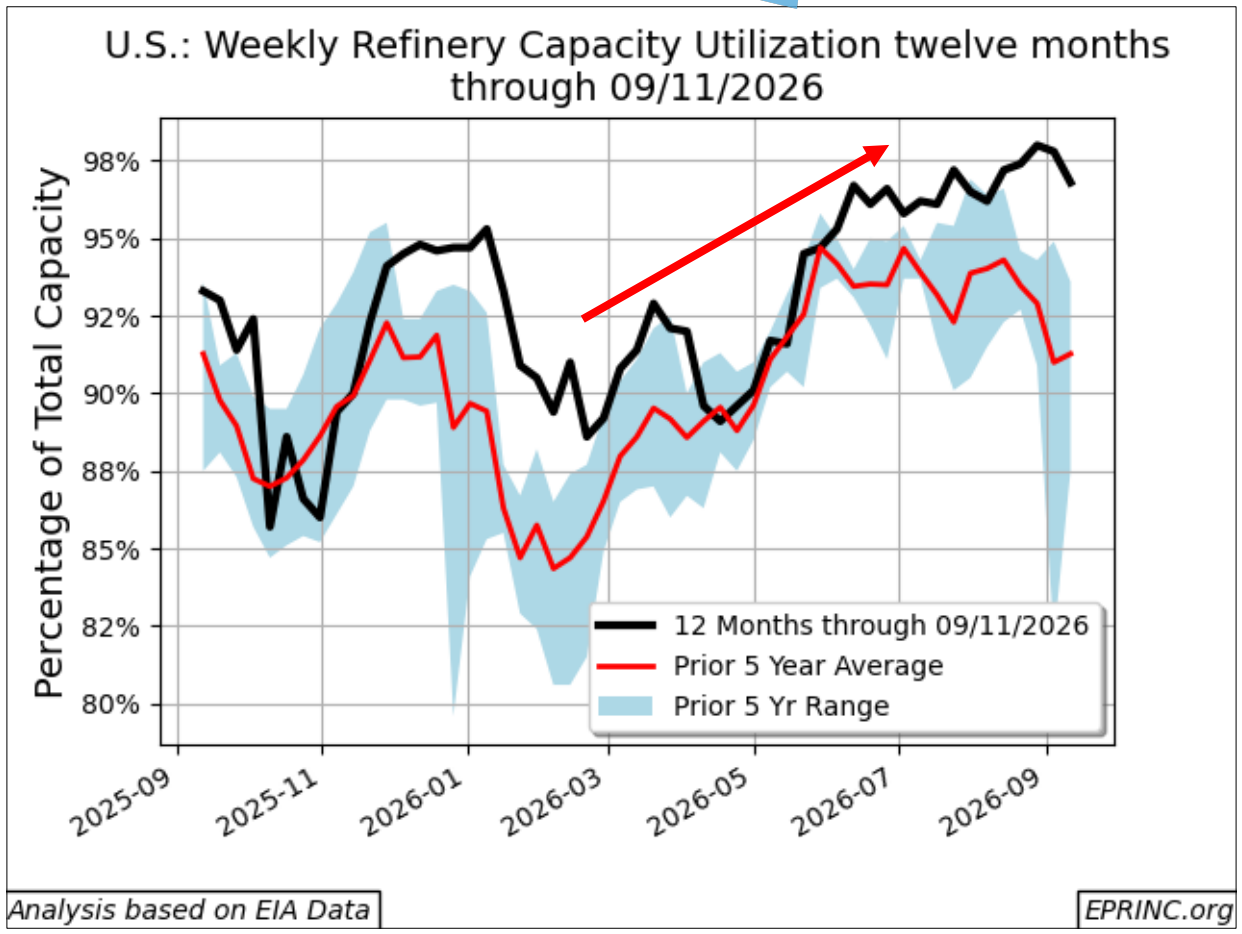

With fuel shortages, refiners crack spreads (the implied profitability calculated as the difference of product prices less the cost of crude oil) have increased substantially. But gasoline and diesel cracks have diverged with diesel ones spiking over $100 per barrel. U.S. refiners, with over 18 MB/d of capacity, have responded accordingly, running at an unprecedented 98% utilization

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Nevertheless, high diesel prices have prevailed. This has led to some U.S. Republican lawmakers introducing legislation to curtail U.S. diesel exports in the hopes of limiting the inflationary impacts of constrained fuel supplies and high consumer costs. If passed, the legislation would represent the most significant intervention in export markets since 1975 that came on the heels of the 1973 Arab oil embargo.

Criticism of potential export controls centers on U.S. reputation of being a reliable energy supplier. To that end, Latin American markets such as Mexico, Brazil, and Chile rely on U.S. imports for 65% to 95% of their diesel supplies. In addition, critics said that the proposed ban would cause domestic commercial frictions by misallocating storage and distribution of products, notably heating oil into New England.

For more information on these charts, please contact Max Pyziur (maxp@eprinc.org).

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