Oil & gas: Persisting upward pressures across all hydrocarbon markets in October

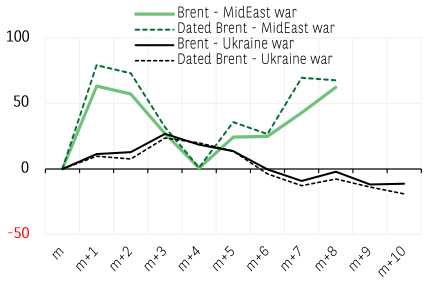
Oil and gas markets remained tilted to the upside in October due to the increased risk of re-escalation in the Gulf conflict. Added to this geopolitical risk premium is a regional component for gas: the beginning of the winter season with historically low inventories in Europe. The price variations for oil and gas are currently greater than those recorded during the 2022 crisis, but in terms of levels, gas prices remain well below 2022 levels.

Oil: Brent crude prices again averaged over $100/b during the month of October due to persistent tensions in the Gulf and the risk of re-escalation in the short term, and despite high export levels from Gulf countries. In this context, the spread between the Brent futures price and the physical barrel price (dated Brent) has narrowed significantly.

Gas: European spot gas prices (TTF) continue to rise for two main reasons: 1/ The lack of significant recovery in LNG flows from the Gulf (unlike oil), 2/ Heightened competition on the LNG market between Europe, which is rebuilding pre-winter stocks, and Asia, where demand remains sustained.

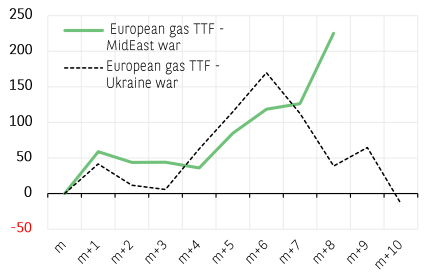
Electricity: European electricity production remains constrained by climatic factors during fall. High temperatures and the historically low levels of many European rivers have constrained decarbonized electricity production (wind, hydro, and nuclear). In this context, the reliance on more expensive resources (gas) is driving electricity prices upward.

October 2026: Crude oil prices on the rise again



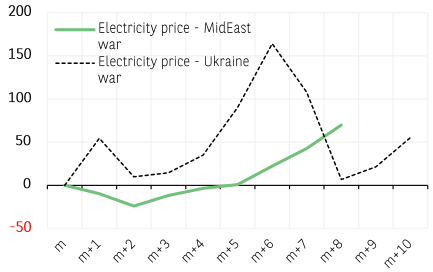
Note: change % since 02/27/2026- 02/23/2022; last price 08/31/2026

October 2026: Persisting tensions on the European gas market



Note: change % since 02/27/2026- 02/23/2022; last price 08/31/2026

October 2026: Constraints on non-fossil production and high gas prices fuel wholesale electricity prices inflation in Europe



Note: change % since 02/2026 - 02/2022; last price 08/31/2026

Source: Bloomberg, Ember, BNP Paribas