GoldSquawk

OIL REPORT · NOVEMBER 2026

War risk and pump prices now dominate U.S. oil politics

GoldSquawk Research

Key takeaways

- Vice President Vance said on 4 November that “the reason we lost is the war”, while Trump agreed the conflict had lifted gasoline prices at least in the short term, making the Iran campaign an explicit domestic political liability rather than only a foreign-policy issue.[1]
- The price backdrop is politically difficult: AAA’s national average regular gasoline price was $4.1239/gal on 4 November, versus roughly $2.95-$3.01/gal in January 2025 EIA data, implying an increase of about $1.11-$1.17/gal since Trump took office.[2,3]
- The war-to-pump transmission has been amplified by product tightness, not only crude disruption. The IEA said market balances should remain in deficit through year-end and that middle-distillate tightness could persist well into 2027, while Gulf diesel/gasoil net exports in August were only 390 kb/d, just over a quarter of pre-war levels.[4,5]
- Market reaction this week suggests crude is repricing geopolitical risk rather than demand: oil fell after Trump signalled no immediate plans for renewed strikes and after post-election rhetoric turned more dovish.[6,7,8]
- For U.S. politics, the debate is shifting from proving toughness abroad to showing restraint that can ease fuel and inflation pressure at home, even as Israeli pressure and the post-midterm decision window keep escalation risk alive.[9,7]

Election messaging has shifted from deterrence to fuel costs

- The political linkage is now explicit. On 4 November, Axios reported Vance saying the Republicans lost because of the Iran war, while Trump said the war-driven rise in gasoline was “largely true”. AP likewise reported that voters were frustrated by surging fuel costs and that Democrats framed war and living costs as central GOP liabilities.[1,10]
- AP voter reporting said concern about everyday costs, including gas, strongly favoured Democrats in local congressional races, indicating that foreign policy was filtered through consumer prices rather than judged on strategic grounds alone.[11]
- The administration’s rhetoric has evolved in stages: Reuters reported Trump saying in March, “If they rise, they rise”, when asked about gasoline prices during the Iran operation; by April and September he was arguing prices would fall once the war ended; by 2 November he was signalling no immediate follow-up strike.[12,13,14,6]
- That messaging pivot matters because the White House is now balancing two objectives that can conflict in the market: projecting hawkish credibility while also welcoming lower oil and gasoline prices as political relief.[7,15]

Figure 1: WTI eased after softer Iran rhetoric but remains elevated year-on-year

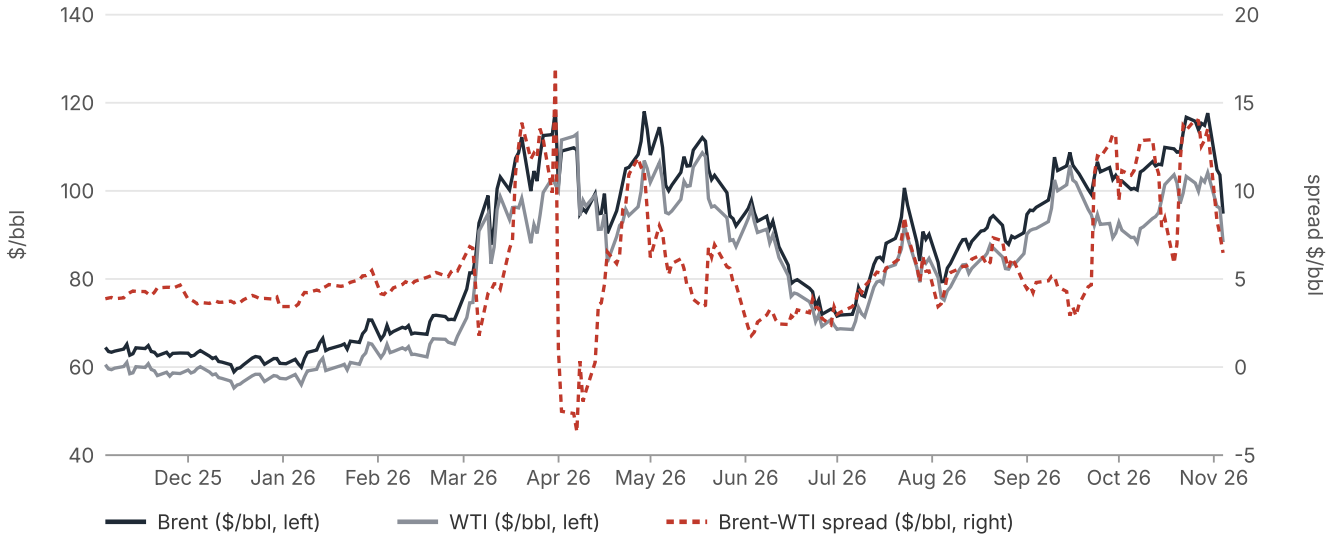


Source: NYMEX WTI crude futures daily closes via Yahoo Finance; GoldSquawk calculations, as of 04 November 2026.

Pump prices turned geopolitics into a domestic ballot issue

- AAA put the U.S. national average regular gasoline price at $4.1239/gal on 4 November, after $4.1493/gal on 29 October; separate reporting said gasoline was around $4.12/gal on Election Day, the highest Election Day level on record.[2,16,17]
- Against January 2025 EIA weekly regular gasoline readings of $2.958, $2.950, $3.011 and $3.006/gal, the current AAA level implies an increase of roughly $1.11-$1.17/gal since the start of Trump's term.[3,2]
- The inflation hit extends beyond petrol. AP reported on 29 October that average U.S. gasoline prices were $4.23/gal and up 39% year-on-year, while on 30 October diesel was about $6.32/gal, up 71% year-on-year. That broadens the political effect from motorists to freight, agriculture and goods inflation.[18,19]
- WTI closed at $88.37/bbl on 4 November, below its 50-day moving average of $95.16 but above its 200-day moving average of $86.85. Even after this week's pullback, WTI remains up 45.9% over 12 months, underlining why relief in crude headlines does not erase the broader rise in energy costs seen by voters. [oil_technical]

Figure 2: Brent retains a premium as supply security and product tightness linger



Source: ICE Brent and NYMEX WTI front-month futures via Yahoo Finance; GoldSquawk calculations, as of 04 November 2026.

Why crude can fall while pump pain persists

- The IEA said in its October Oil Market Report that total oil flows through Hormuz had recovered by 3.7 mb/d to 10.9 mb/d and bypass exports had risen by 970 kb/d to 5.6 mb/d, but it still expected market balances to remain in deficit through year-end and warned that middle-distillate tightness could persist well into 2027.[4]
- The September IEA report said Gulf diesel/gasoil net exports in August averaged only 390 kb/d, just over a quarter of pre-war levels, because product flows through Hormuz remained heavily constrained. This helps explain why retail fuels can stay politically painful even if crude loses some war premium.[5]
- The earlier shock was severe: EIA said crude oil and liquids moving through Hormuz averaged 4.9 mb/d in 2Q26, down from 21.6 mb/d in 4Q25 before the conflict, while the EIA also raised its 2H26 Brent average assumption by $8/bbl to around $90/bbl in autumn outlook work because attacks on export routes disrupted flows.[20,21]
- Emergency stocks have already been used heavily. GAO said DOE announced plans in March to release an additional 172 million barrels from the SPR alongside an IEA-coordinated 400 million barrel collective release. That matters because any renewed disruption would reopen debate about how much policy cushioning remains.[22,23]

Scenarios

- **De-escalation message holds:** U.S. rhetoric stays centred on no immediate renewed strikes, diplomacy gets more time, and traders continue to remove near-term geopolitical premium from crude. Even in this case, retail fuel relief may lag if refined-product tightness and diesel shortages persist.[6,7,4]
- **Hawkish pressure returns:** Pressure from Israel and the post-midterm decision window pull U.S. messaging back towards conditional military threats or renewed action. That would risk rebuilding crude's geopolitical premium and could quickly revive the political link between foreign policy and household fuel costs.[9,7]
- **Crude softer, pumps sticky:** Crude remains softer on reduced strike risk, but consumers see only limited relief because product markets remain constrained. This would keep gasoline and diesel in

the domestic political debate even without a fresh military escalation.[4,5,19]

Levels to watch

- WTI last close: $88.37/bbl
- WTI 200-day moving average: $86.85/bbl
- WTI 50-day moving average: $95.16/bbl
- Brent-WTI spread: +$6.48/bbl
- WTI 52-week high/low: $112.95 / $55.27 per bbl

References

1. Trump's VP says the Iran war cost them the midterms. https://www.axios.com/2026/11/04/jd-vance-iran-war-trump-election
2. AAA Fuel Prices. https://gasprices.aaa.com/?vm=r&utm_source=openai
3. Weekly U.S. Regular Conventional Retail Gasoline Prices (Dollars per Gallon). https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?f=w&n=pet&s=emm_epmru_pte_nus_dpg&utm_source=openai
4. Oil Market Report - October 2026 - IEA. https://www.iea.org/reports/oil-market-report-october-2026
5. Oil Market Report - September 2026 - IEA. https://www.iea.org/reports/oil-market-report-september-2026
6. Trump raises doubts about renewed attacks on Iran - AOL. https://www.aol.com/articles/trump-raises-doubts-renewed-attacks-205612000.html
7. Trump Plays Down Prospect of Iran Strikes After Midterm Rout. https://gcaptain.com/trump-plays-down-prospect-of-iran-strikes-after-midterm-rout/
8. Oil prices plunge after Vance post on Iran war. https://www.axios.com/2026/11/04/oil-prices-plunge-midterms-vance-democrats-iran
9. US strikes in the Strait of Hormuz create more questions about what's ahead. https://apnews.com/article/183b3d32d9bf5241f744abb917e6713e
10. The Latest: Republican blowout begins a new era in Washington. https://apnews.com/article/b1d26390b7ed7968435089be6d3bf612
11. How Trump and Republicans lost the 2026 midterm elections, according to The AP Voter Poll. https://apnews.com/article/ba1689d8402415d26ad32f4fa80ab2f9
12. Exclusive-Trump on rising gas prices during Iran operation: 'If they rise, they rise'. https://finance.yahoo.com/news/exclusive-trump-rising-gas-prices-190823520.html/
13. Licensable video: Trump says gas prices will drop as soon as Iran war is over. https://www.reutersconnect.com/item/trump-says-gas-prices-will-drop-as-soon-as-iran-war-is-over/dGFnOnJldXRlcnMuY29tLDIwMjY6bmV3c21sX1ZBNzA2NDMwMDQyMDI2UlAx
14. Trump says Iran war will end after the midterms and gas prices will fall - KQ2 | St. Joseph, Missouri News, Weather & Sports. https://www.kq2.com/cnn/cnn-us-politics/2026/09/09/trump-says-iran-war-will-end-after-the-midterms-and-gas-prices-will-fall/
15. Trump to Axios: "No rush" to decide on bombing Iran again. https://www.axios.com/2026/11/02/trump-axios-interview-no-rush-resume-war
16. AAA Fuel Prices. https://gasprices.aaa.com/2026/
17. Election Day Gas Prices Hit Record High as Voters Head to Polls. https://www.thedailybeast.com/election-day-gas-prices-hit-record-high-as-voters-head-to-polls
18. Strong growth and inflation paints mixed picture of economy days before midterm elections. https://apnews.com/article/c32cfa8b85ae53ceb7b1cc557d3b7400
19. ExxonMobil and Chevron top Q3 estimates on higher prices and strong output. https://apnews.com/article/8528510491c1ede6811516fe92700dcbe
20. Short-Term Energy Outlook. https://www.eia.gov/outlooks/steo/pdf/steo_text.pdf?amp%3Butm_source=openai&os=os&utm_source=openai
21. Short-Term Energy Outlook - U.S. Energy Information Administration (EIA). https://www.eia.gov/outlooks/steo/report/global_oil.php?facet=app&mode=light&utm_source=openai
22. GAO-26-106918, ENERGY SECURITY: Congress and DOE Need a Unified Plan to Align Priorities and Investments for the Strategic Petroleum Reserve. https://files.gao.gov/reports/GAO-26-106918/index.html
23. GAO-26-106918, ENERGY SECURITY: Congress and DOE Need a Unified Plan to Align Priorities and Investments for the Strategic Petroleum Reserve. https://www.gao.gov/assets/gao-26-106918.pdf

Glossary

Geopolitical premium: The portion of an oil price that reflects conflict and supply-risk fears rather than current physical demand or supply.

Middle distillates: Refined oil products such as diesel and gasoil, important for freight, industry and heating.

SPR: Strategic Petroleum Reserve, the U.S. government's emergency crude stockpile.

Brent-WTI spread: The price difference between Brent crude and WTI crude; it can reflect regional supply, transport and export conditions.

This report is for information only and is not investment advice or a recommendation to buy or sell any asset. It was researched and written with the help of AI from the sources cited and reviewed before publication. Prices and data can change quickly; past performance is not a guide to future results.