It's 2020 all over again for motor oil

A pricing study of the 2026 crude oil run-up, traced from the barrel to the price drivers pay

Base oil leads, the shelf follows late, and the independents take the squeeze

United States, with Brazil
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The answers on one page

How suppliers price. Base oil runs further than crude: from February to September 2026 Brent rose 61% and US base oil 176%. Finished lubricants rose only 17%, but they do not come back down. After the 2022 peak, base oil fell 30% and finished lubricants rose another 7%.

Additive makers earn after the run-up, not during it. Margins fall while costs climb and set records once costs fall. Afton went from 12.0% in 2021 to 22.5% in 2024. Lubrizol went from 12.1% in 2008 to 24.0% in 2009, on the same sales. Afton gained $895 million from price in 2021-23 and gave back $57 million.

Retailers pass costs on slowly, and never give them back. About a fifth of a base oil move reaches the shelf within a year, and the shelf does not give it back. In 2020-22 base oil nearly quadrupled and the shelf rose 19%. This time the shelf is moving sooner: Walmart's own prices are up 14% to 51% since before the war.

Installed oil changes follow later, and further. Vehicle servicing prices rose less than inflation during the 2020-22 run-up (10% against 16%), then 15% in the two years after the peak, against 6%. The quick-lube channel has the most pricing power, and it uses it after the cost peak.

Base oil is the forward indicator. In 2022 the shelf peaked ten months after base oil. By that record most of this year's rise has not reached drivers yet. If base oil holds near September's level, the shelf could rise another 10% to 15% over the next year. Servicing prices could keep rising into 2028.

How long. The Strait has reopened in part, but shipping is still constrained. Shell's Pearl plant restarted in part in October, with a full restart expected by the end of March 2027. ICIS sees Group III short until late 2026 or early 2027, and prices do not need a shortage to stay up.

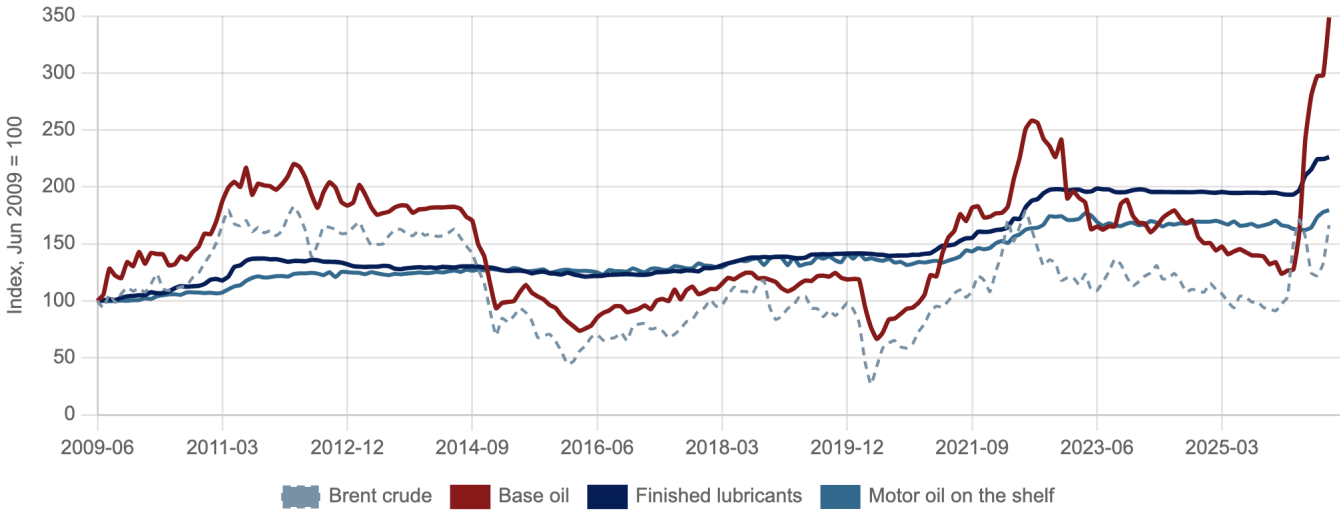
Who loses besides drivers. Independent blenders. They pay more for base oil, additives and polymers at once, have little pricing power with their buyers, and sit behind the majors when supply is rationed. Brazil has already shown it happening.

Other markets. Brazil is the most exposed. It imports all its Group III and about 70% of its Group II, mostly from a US market that is short itself. Its own output fell almost 20% in early 2026.

A Once lubricant prices rise, they do not come back down

We set the US government's monthly price series side by side, from June 2009 to September 2026. Base oil follows crude, and overshoots it in both directions. Finished lubricants take a small share of each rise and keep it. The shelf price of motor oil and the price of servicing a car move least, and never fall back.

Change over the period	2014-16 crash	2020-22 run-up	After 2022 peak	Feb-Sep 2026	17 years
Brent crude	-71%	+318%	-33%	+61%	+66%
Base oil (producer price)	-57%	+277%	-30%	+176%	+249%
Finished lubricants (producer price)	-5%	+30%	+7%	+17%	+126%
Motor oil on the shelf (consumer price)	0%	+19%	+3%	+9%	+80%
Vehicle maintenance and servicing	+2%	+10%	+15%	+5%	+80%
All consumer prices	-1%	+16%	+6%	+3%	+56%



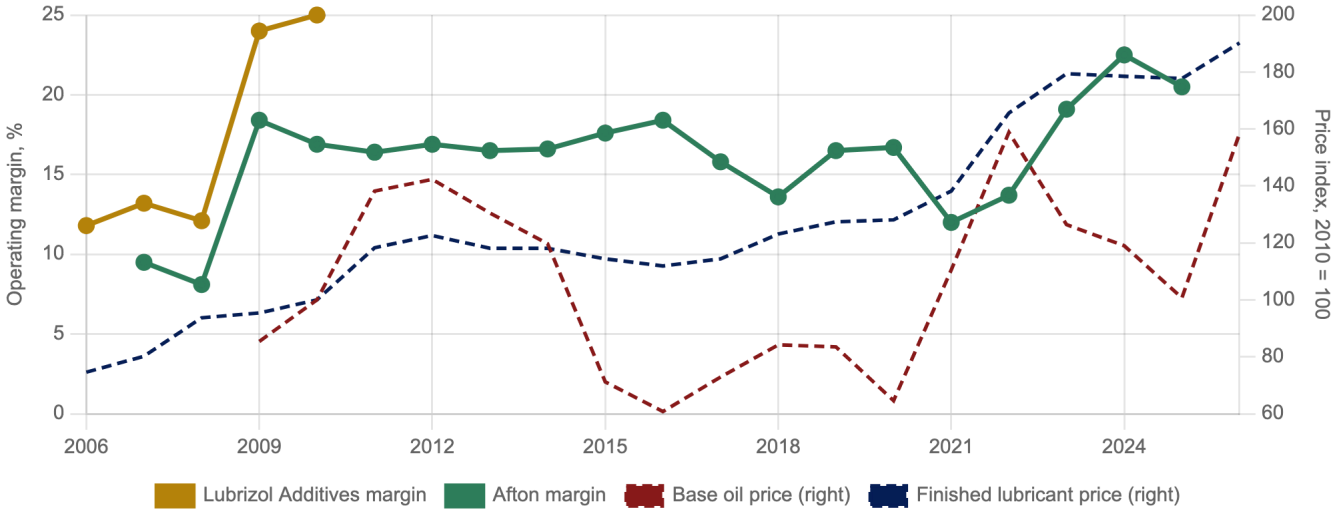
Index, June 2009 = 100. Base oil and finished lubricants: US producer price indexes (Bureau of Labor Statistics). Shelf: consumer price index for motor oil, coolant and fluids. Brent: EIA, monthly average. Windows: Jun 2014-Feb 2016, May 2020-Jun 2022, Jun 2022-Jun 2024, Feb-Sep 2026, Jun 2009-Sep 2026.

Why base oil rose almost three times as much as crude. Hormuz hit lubricants harder than crude, for three reasons. Lubricant prices answer to a short list of plants and one strait, not to the crude price alone.

1. **It took the barrels lube is made from.** Base oil comes from the heavier middle of the barrel. McKinsey made the point in 2018: when the Gulf holds back, medium sour crude tightens, while US shale adds light sweet crude, which gives a refiner little lube feed. Hormuz took out mostly medium sour barrels.
2. **It took Group III itself.** The Gulf makes much of the world's Group III, the base oil in synthetic motor oil, and Qatar's Pearl plant went down. "About half of the American supply of Group III" came through Hormuz, an Argus expert told NeoFeed. ICIS estimates about 1.5 million tons less Group III this year.
3. **Diesel bids for the same feed.** Base oil and diesel are both made from vacuum gas oil. With diesel tight, refiners pay more for that feed, and base oil pays the same higher price (NeoFeed, with Argus).

B Expect no relief from additive makers when costs fall

The two additive makers that report a segment of their own show the same pattern in both cycles. While base oil and lubricant prices climb, their margin is squeezed, because their raw materials rise before their price increases land. Once costs fall, they keep the price, and the margin sets a record. Engine oil is the bulk of both businesses: about 70% of lubricant additive volume by NewMarket's count, and about 80% of Lubrizol's engine additive sales in 2006.



Operating margin: Lubrizol Additives segment (Lubrizol annual reports; Berkshire Hathaway bought Lubrizol in 2011 and stopped separate reporting) and NewMarket's petroleum additives segment, which is Afton and includes fuel additives. Dashed: yearly average of the producer price indexes, 2010 = 100; the base oil index starts in June 2009, and 2026 runs to September.

Afton: change in sales from price, $ million	2021	2022	2023	2024	2025
Selling prices (NewMarket's own sales bridge)	+98	+536	+261	-51	-6
Lubricant additive volume	+220	-50	-272	+10	-88

Afton kept 94% of the price it gained, while its lubricant volume fell. Lubrizol's engine additive sales were flat from 2008 to 2009, $2,259 million and then $2,222 million, while its segment margin doubled. That is the margin of a price kept after raw materials fell.

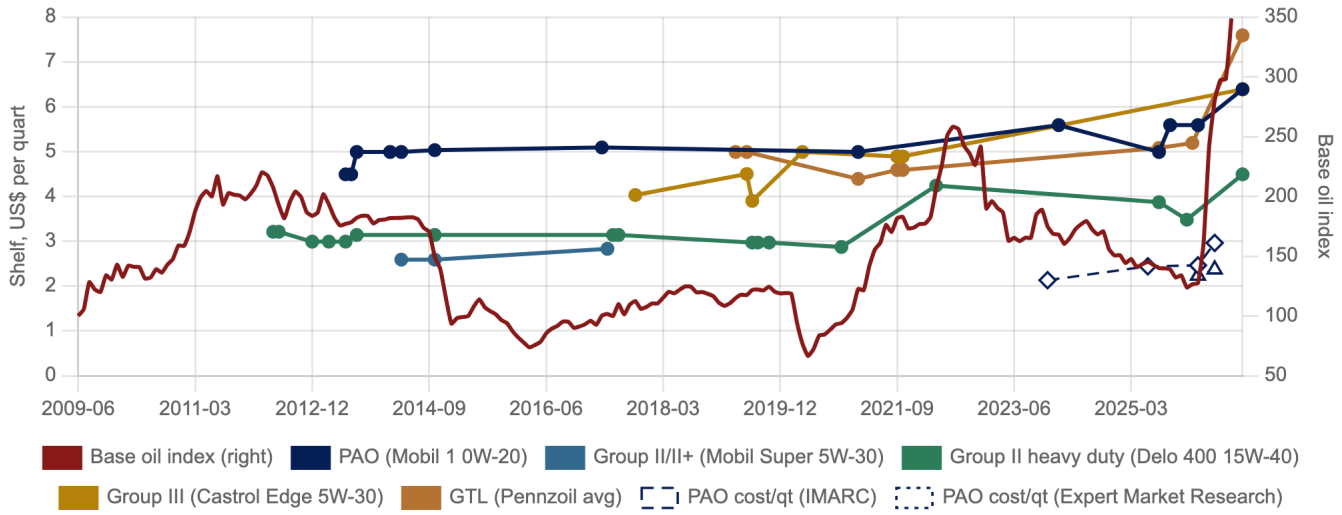
This cycle has started the same way. Our contacts in the industry count seven additive increases already. The 2021-22 cycle had about a dozen: we found eight named in published sources, plus four the trade press reported for 2021 without naming companies. Additive makers added surcharges of $300 to $500 a ton this spring.

C Retailers pass costs on slowly, and never give them back

A quart of motor oil passes through a chain of sellers: base oil refiner, additive maker, blender or brand, retailer. Each one sets its own price, on its own calendar. The brands set list prices a few times a year. The big retailers hold a handful of price points and promote around them. So the shelf takes a small share of each cost move, late, and keeps it. Over 17 years, about a fifth of any base oil move reached the shelf within a year, half of that in the first six months, and falls passed through less than rises.

This time the shelf is moving sooner. On 1 November 2026, Walmart's own prices stood well above the last copies saved before the war:

Walmart, sold by Walmart	Last saved before the war	1 Nov 2026	Change
Mobil 1 0W-20, 5 qt	$27.97 (Mar 2026)	$31.97	+14%
Delo 400 15W-40, 1 gal	$13.93 (Jan 2026)	$17.97	+29%
Pennzoil Platinum 5W-30, 5 qt	$25.97 (Feb 2026)	$35.97	+39%
Pennzoil Ultra Platinum 5W-30, 5 qt	$26.50 (Aug 2025)	$39.97	+51%
Castrol Edge 5W-30, 5 qt	$24.47 (Oct 2021)	$31.97	n/a



Walmart's own price per quart on days the page was saved by the Internet Archive, plus a live read on 1 November 2026. Each branded oil stands in for one base stock: Mobil 1 0W-20 for PAO, Mobil Super 5W-30 for Group II/II+, Delo 400 15W-40 for heavy-duty Group II, Castrol Edge 5W-30 for Group III, and the average of Pennzoil Platinum and Ultra Platinum for GTL. Red: base oil producer price index (right scale). PAO raw material: published US PAO prices converted per quart.

The national shelf index had risen only 9% by September, because it covers every store and also coolant and other fluids. The Walmart figures are a few products on one day, but they point the same way as the 2022 record: the bigger shelf moves come months after base oil. The GTL products moved most, which fits a market short of Group III after the Pearl outage.

D Oil change prices keep rising for two years after costs peak

Yes, later and further. The government's index for vehicle maintenance and servicing, which includes oil changes among other services, rose less than inflation during the 2020-22 run-up and more than twice inflation in the two years after it. The channel kept raising prices after its oil costs had fallen.

Channel	What the record shows	Pricing power
Quick lube	Full synthetic change about $75 in 2016-18 (National Oil & Lube News survey); $94 at Jiffy Lube, $100 at Valvoline, $101.99 at Take 5 in 2025. Valvoline says price drove most of its 2024-26 sales growth, and three quarters of it in mid-2026.	Highest: sells a service, prices the ticket, upsells to synthetic

Channel	What the record shows	Pricing power
Car dealers	About $100 on average (SoFi, March 2026); Kelley Blue Book range $65-125 for synthetic.	High: tied to warranty and the service visit
Mass merchant (Walmart)	Flat for years at a few price points, now up 14% to 51% on the products checked.	Lowest: price is the draw to the store
Auto parts stores	We could not build a history: too few saved copies of AutoZone and O'Reilly pages.	Not measured

For the driver, the oil is a minor part of the bill at a quick lube or a dealer. That is why those channels move least during a cost spike and keep rising after it: their price follows labor, rent and what the customer accepts, not the oil drum.

E Watch base oil, not crude: it says where the shelf goes next

Crude tells you where base oil may go; base oil tells you where the shelf will go. In 2022 the shelf peaked ten months after base oil. On the 17-year record, the shelf has taken about 7% of a base oil move within three months, 13% within six and 20% within a year, and finished lubricants about a quarter. Base oil rose 176% from February to September 2026. The shelf has risen 9%.

If base oil over the next year...	Shelf price of motor oil	Servicing
Holds near September's level	Another 10% to 15%	Keeps rising into 2028, as after 2022
Falls back as Hormuz and Pearl recover	About 5% more, then flat; no return to 2025 prices	Keeps rising, more slowly
Rises again on a new disruption	Above 15%; GTL and Group III products first	Rises faster

These are ranges from the record, not forecasts of a figure. The 2026 move is faster than anything in the record except 2020-22.

F Base oil stays tight until the Gulf recovers, maybe longer

The future of lubricant prices is set by geopolitics more than by crude. Three things decide where base oil goes next: whether shipping through Hormuz recovers, when Qatar's Pearl plant is fully back, and how many base oil units close. Crude can fall and base oil can stay high if any one of them goes wrong.

McKinsey called the Hormuz closure the largest energy disruption in a century. At its peak it took close to 25% of seaborne oil trade and 19% of LNG supply off the market. In March 2026, output from nine OPEC members fell by 8.5 million barrels a day, and Brent reached $117 in April. OECD inventories were about 72 million barrels below their five-year average.

Three of McKinsey's findings matter for lubricants. First, petrochemical prices only followed their feedstock this year; lubricants did more, because each layer of the chain priced its own increase. Second, McKinsey sees an "energy expansion", not a transition: oil demand could near 130 million barrels a day by 2035, which keeps engine

oil demand from an early peak. Third, chemical M&A is back, with about 20 deals above $1 billion tracking for 2026. That matters for the independent blenders below.

Duration. Tanker flows began to recover after a US-Iran deal in June, but shipping through the Strait is still constrained. Shell restarted part of its Pearl plant in Qatar in October and expects a full restart by the end of March 2027, if shipping routes stay open. ICIS expects six to nine months to stabilize once flows normalize, with Group III short until the end of 2026 or early 2027, about 1.5 million tons less Group III this year. ICIS also warns that Groups I and II are "propped up by diesel markets".

Beyond the shock. We asked McKinsey's AI assistant what its supply and demand outlook means for base oil. It said McKinsey has published nothing on base oil itself, but warned that if refiners close capacity on aggressive electric-car forecasts, "the demand for oil-based products and reliable refining capacity could suddenly exceed available supply" (McKinsey AI assistant, mckinsey.com, 1 November 2026). Base oil is made inside those refineries. Group I and some Group II units are closing, among them a Canadian base oil unit by 2027 and Petrobras's Group I by 2029, while McKinsey expects oil demand to keep growing. So base oil may stay tight after Hormuz and Pearl recover.

What we see. Base oil supply recovers in 2027, but the shelf and the service bay keep the 2026 increases and add to them through 2027. The rise has further to run for drivers whether or not base oil falls.

G Small blenders take the biggest squeeze, and some could sell

> **Our view.** The independent lube manufacturers take a disproportionate hit. They have weak pricing power with the jobbers, fleets and stores they sell to, and a weak position with their base oil and additive suppliers. They have to absorb base oil, additive and polymer increases all at once.

The evidence for that view:

They buy last in a rationed market. ICIS told buyers to expect "limited-to-no spot availability" of Group III and to plan on contract minimums. Independents buy more on the spot market and hold fewer long contracts. In Brazil the effect is on record: the five majors cut off the surplus base oil the smaller blenders depend on, "leaving the smaller ones in a dramatic situation" (FactorK, in NeoFeed).

They cannot pass costs on. ICIS reported that blending economics "no longer work" for some blenders, and that demand is falling for that reason. The brands hold the shelf; the independent sells on price to customers who can switch.

They are tied to their suppliers. An engine oil approval rests on a specific additive package and base oil slate. Changing either means new testing. Additive makers raise prices to everyone, but an independent cannot use a second supplier as leverage the way a major can.

Last time, the costs fell and the prices did not. Finished lubricants and additives kept their 2022 increases. An independent that paid the peak and then faced a major cutting price to win share was squeezed from both sides.

The likely outcomes: some independents sell, which fits McKinsey's view that chemical M&A is back; some move into niches where approvals or service protect them; some close. Also exposed: fleets and industrial buyers on annual contracts that reset in 2027, and franchisees whose oil costs rise before the ticket does. We found no published US count of independent blenders under strain in 2026; that is a gap in the record, not proof that none are.

H Brazil's small blenders run short first

Argus's head of base oil pricing told NeoFeed: "No country suffers as disproportionately from the bottleneck of base oils as Brazil."

Brazil	What the record shows
Imports	All its Group III and about 70% of its Group II (Argus, in NeoFeed). The US supplied 76% of base oil and lubricant imports in 2024 (Argus, from Comex Stat), and the US market is short itself.
Home supply	Petrobras makes Group I, and Lwart makes re-refined Group II. Domestic output fell almost 20% in the first quarter of 2026 (ANP, via Argus). Petrobras plans to end Group I by 2029.
Prices	Lubricant prices up by double digits since March 2026 (FactorK, in NeoFeed). April imports were the highest in two years, mostly cargoes bought at pre-spike prices (Argus).
Structure	Five majors hold about 70%; the smaller makers (30%) depend on the majors' surplus base oil, which was cut off during the crisis.
Currency	The real is stronger in 2026 (about R$5.0 to the dollar in mid-October, against R$5.49 at the end of 2025). That softens the cost, but not a base oil price two to three times higher.

Brazil has to bid for imports against every other buyer short of the same molecules. Its independents are the first in the world to lose supply, not only margin. Elsewhere, blenders in India reported Group III at record prices and could not pass the costs on, according to market reports; we did not read those reports in full.

I What it means and what to do

It is 2020 again, only faster, and this time the cause is the Strait of Hormuz. Base oil leads. Finished oil, the shelf and the oil change follow late and do not come back down. Additive makers earn most after costs fall. Independent blenders take the squeeze.

What to do

- **Independent blenders.** Secure base oil and additive volume before the next round. Price on the base oil index, not on crude. Line up a second Group III source. Check which products still earn their keep.
- **Fleets, distributors and other buyers.** Expect increases for another six to twelve months. Contract now. Do not expect cuts when crude falls.
- **Investors and buyers of companies.** Independent blenders without their own base oil, approvals or a niche may come up for sale. On the 2008 and 2020 pattern, additive makers' best margins come after costs fall, so expect them in 2027-28.

What to watch

Pearl's full restart (due by end March 2027), tanker traffic through Hormuz, the first posted base oil cuts, and the Group III spot price.

> **BlueTigre tracks these prices and the supply behind them. To talk about what this means for your products, your suppliers or a deal, write to info@bluetigre.com.**

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Sources

- US Bureau of Labor Statistics: producer price indexes for lubricating oil base stocks (WPU0578) and finished lubricants (WPU0576); consumer price indexes for motor oil, coolant and fluids (CUUR0000SS47021), motor vehicle maintenance and servicing (CUUR0000SETD02) and all items. Brent: EIA via FRED.
- Walmart product pages saved by the Internet Archive, 2012-2026, and read live on 1 November 2026; Walmart's own listings only.
- Lubrizol Corporation annual reports for 2006-2010; NewMarket Corporation annual reports for 2007-2025 (segment margins and the net sales bridge).
- McKinsey & Company: Global Energy Perspective 2026; oil supply and demand snapshots, March and April 2026; OPEC and medium grades (2018); Chemicals in Q3 2026.
- McKinsey AI assistant on mckinsey.com, answer to BlueTigre's question "what impact does the supply and demand forecast have on base oil supply", 1 November 2026. Its answer draws on McKinsey's published insights on refining and oil supply.
- ICIS, "Global base oils in for long recovery despite Hormuz reopening", 25 June 2026. Shell on Pearl GTL, via Gas Processing News (July 2026) and press reports of the partial restart (October 2026).
- NeoFeed, on the Hormuz base oil crisis in Brazil, with Argus and FactorK (2026); Argus on Brazil's base oil imports (May 2026) and Petrobras's Group II plan (July 2025); Lube Report.
- National Oil & Lube News surveys via Lube Report; Valvoline filings and earnings calls; Motor1, Cheapism, SoFi and Kelley Blue Book on service prices. JobbersWorld on additive surcharges.
- Additive increase count: BlueTigre's industry contacts for 2026; Lube Report and supplier announcements for 2021-22.