Truflation Global Crude Oil Benchmark Index (TruOil)

Methodology

June 18, 2026

Contents

1. Executive Summary

The Truflation Global Crude Oil Benchmark Index (TruOil) is a real time, market based index designed to track global crude oil price dynamics. By combining price signals from the world's most liquid benchmarks; Brent and WTI, with the structural importance of Dubai/Oman crude, the index provides a comprehensive and representative view of global oil markets.

Crude oil is one of the most influential commodities in the global economy, directly impacting inflation, transportation costs, production inputs, and overall economic activity. As a result, having a reliable, global benchmark is essential for understanding and responding to shifts in energy prices as they occur.

TruOil is built on a transparent, rules based methodology using exchange traded futures data, ensuring that price movements reflect observable market activity. By capturing supply and demand dynamics across key global pricing regions, the index serves as a robust benchmark for energy markets, inflation analysis, and broader macroeconomic monitoring.

2. Truflation Global Crude Oil Benchmark Index Framework

The primary objective of the Truflation Global Crude Oil Benchmark Index (TruOil) is to provide a transparent and investable benchmark that tracks the crude oil prices dynamics across the major global pricing hubs by combining Brent, WTI and Dubai/Oman benchmarks.

The index is designed to:

- Capture the global oil price movements into one index and reduce any regional bias inherent in a single benchmark.
- Reflect shifts in global production, trade flows and consumption patterns across Atlantic and Middle Eastern markets.
- A real time market signal of geopolitical and security driven economic activity.
- Serve as a robust reference for investment products, risk management and performance evaluation in energy linked strategies.

The index construction follows the steps outlined below:

Step 1: Definitions
The Truflation Global Crude Oil Benchmark Index (TruOil) is defined as a basket of West Texas Intermediate (WTI), Brent Crude and Dubai Crude. This represents a clean and globally balanced proxy of crude oil.

The index covers the three main pricing regions of North America with WTI, Europe and Africa through Brent and the Middle East / Asia through the Dubai Crude. These three benchmarks anchor pricing for the vast majority of internationally traded crude. Most globally traded physical crude oil cargoes are priced relative to one of these benchmark grades, typically using a premium or discount differential mechanism.

Adding more benchmarks to this list sounds more comprehensive in theory, but in practice one introduces:

- Overlapping signals (many grades are already priced off Brent or Dubai)
- Risk of double counting regional trends
- Increased complexity to interpret and maintain the index

A three benchmark model keeps the signal clean and explainable. It reflects how oil is actually traded. Global crude markets are structured around pricing hubs, not every individual grade. For example:

- Asian imports are often tied to Dubai/Oman benchmarks.
- African and European crudes often reference Brent.
- U.S. flows tie back to WTI.

So these three aren't arbitrary; they are the **reference points for price formation**. It balances simplicity and global reach. Adding Dubai to WTI + Brent fixes a major blind spot i.e. Asia, the largest demand center.

The index at present does not incorporate the different types of quality differences (heavy vs light, sour vs sweet) and does not directly reflect refined products (gasoline, diesel, etc). Limiting the index to WTI, Brent and Dubai provides a globally representative crude price signal. It's broad enough to cover the world and simple enough to stay usable.

Step 2: Data Sources
The Truflation Global Crude Oil Benchmark Index is composed of three crude oil benchmarks, each representing a distinct crude pricing region and market structure: Brent Crude, WTI Crude and Dubai/Oman Crude.

Brent crude oil price data is sourced from ICE front month Brent futures. WTI crude oil price data is sourced from New York Mercantile Exchange (NYMEX) front month WTI futures. Dubai/Oman crude oil price data is sourced from New York Mercantile Exchange (NYMEX) front month Oman futures.

Step 3: Data Weighting

The TruOil Index employs a commodity liquidity based weighting methodology, using the number of contracts traded, alongside a minimum allocation floor to ensure balanced representation across the exchanges.

The final weights have a minimum 10% floor per tradable commodity. This prevents over concentration of Brent and WTI, which are the global pricing anchors and have the deepest liquidity. At the same time it ensures meaningful representation of the Dubai/Oman Crude Oil which is a regional benchmark but less tradeable.

The index weighting is updated every quarter to reflect the changes in the market conditions. The index is a weighted aggregation of the three crude oil benchmark price series with the weights of each crude oil shown in Exhibit 1

Exhibit 1: Truflation Global Crude Oil Benchmark Index Final Weighting

Crude Oil Type	Market Liquidity for 2026 Q1 (number of contracts)	Market Liquidity Weighting	Final Weighting (with min 10% cap)
WTI Crude Oil	103,330,139	46.30%	41.72%
Brent Crude Oil	119,569,227	53.58%	48.28%
Dubai/Oman Crude Oil	276,000	0.12%	10.00%

Historical Quarterly Weights

Historical weights are maintained and published in tabular form (Exhibit 2) to ensure transparency and enable longitudinal analysis of structural shifts within the TruOil Index ecosystem.

Exhibit 2 - Historical Weights Index

Date	WTI Crude Oil	Brent Crude Oil	Dubai/Oman Crude Oil
2026-05-06	41.72%	48.28%	10.00%

Step 4: Index Calculation

The daily USD prices of each constituent are used directly with the final price level being calculated as the weighted sum of the constituent prices:

$$\begin{aligned}\textit{TruOil Index (USD)} = \; & (Price_{WTI} \times Weight_{WTI}) + \\ & (Price_{BRENT} \times Weight_{BRENT}) + \\ & (Price_{Dubai} \times Weight_{Dubai})\end{aligned}$$

The index is calculated and published daily at 23:59 UTC, reflecting prevailing market conditions.

Step 5: Rebalancing Frequency

The Index is rebalanced quarterly (15th of the 1st month in the quarter i.e. Jan, April, July & October) to reflect changes in trading volumes. At each rebalance date, weights are updated as of the rebalance reference date. No constituent additions or removals are made as part of the quarterly rebalance; only weights are adjusted.

Step 6: Scaling Factor (Divisor Adjustment)

A scaling factor is applied to maintain index continuity and prevent artificial changes in the index level resulting from structural events. Structural events include constituent additions or deletions, changes in index weights due to scheduled rebalancing, and other methodology driven adjustments.

The scaling factor is calculated as:

Scaling Factor = Old Weighted Sum / New Weighted Sum

The index level is calculated as:

Index Level = Weighted Sum × Scaling Factor

Prior to a structural event, the scaling factor remains unchanged. On the effective date of a constituent change or weight rebalance, the scaling factor is recalculated so that the index level immediately before and after the event remains consistent. The recalculated scaling factor remains in effect until the next structural event requiring adjustment.

All scaling factor changes are documented with effective dates to ensure transparency, auditability, and historical consistency of the index series.

3. The Output Metrics

The Truflation Global Crude Oil Benchmark Index is updated on a daily basis and produces the following indexes:

1. TruOil Index in USD
2. TruOil year on year percentage change
3. Each constituent in USD
4. Each constituent's year on year percentage change
5. Historical time series

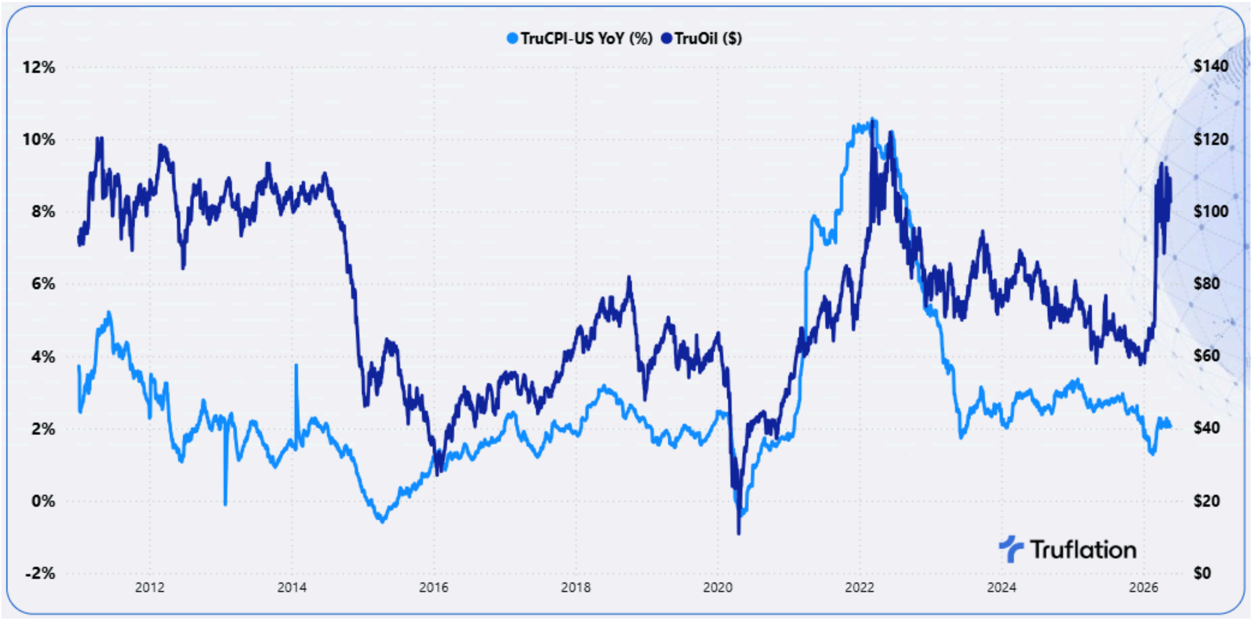
The index is reported in USD to allow for comparability across time and against other benchmarks. The TruOil index was launched on June 18, 2026, with historical data back to January 1, 2010.

4. Truflation Global Crude Oil Benchmark Index Benefits

The TruOil Index, built on the prices of West Texas Intermediate, Brent Crude and Dubai Crude serves as a clean, real time proxy for global crude oil prices. Its core advantage lies in delivering a high frequency, globally representative and methodologically simple price signal; precisely what users need to effectively track markets, inflation and broader macroeconomic trends.

While a single oil price does not fully capture economic impact on its own, it becomes highly informative when viewed in context, particularly alongside inflation. Comparing oil prices to CPI is especially relevant, as oil is a key input into transportation and the cost of goods. Rising oil prices tend to exert upward pressure on inflation, while falling prices have a disinflationary effect. When oil increases faster than CPI, it often signals building inflationary pressure; conversely, when oil lags CPI, it may indicate easing inflation ahead. Exhibit 3 highlights the relationship between TruOil and inflation.

Exhibit 3: Performance of the TruOil vs Inflation growth



Beyond this, a more comprehensive framework can be constructed by comparing oil prices with inflation, equities, and the U.S. dollar. Together, these dimensions capture inflationary pressures, growth sentiment and financial conditions. This combined view helps determine whether rising oil prices are driven by strong demand, typically associated with economic expansion, or by supply side shocks, which can signal tighter conditions and potential economic strain.

The Truflation Global Crude Oil Benchmark Index (TruOil) offers several distinct benefits for investors, analysts, and policymakers:

- ***Global coverage without unnecessary complexity:*** By combining WTI (Americas), Brent (Atlantic Basin), and Dubai (Middle East/Asia), the index captures the three core pricing hubs of global oil. This provides broad geographic representation without relying on dozens of overlapping regional grades.
- ***Strong price discovery:*** WTI and Brent are among the most liquid commodity futures in the world, meaning prices update continuously, markets rapidly incorporate new information and the index reflects real time sentiment and macroeconomic shifts. Including Dubai ensures the index also captures Asia driven demand dynamics, which are increasingly dominant in global consumption.
- ***Reduced noise and double-counting:*** Many crude grades are priced as differentials to Brent, WTI, or Dubai. Including too many inputs can overweight certain regions and introduce redundant signals. A streamlined index avoids this, ensuring the signal remains clean, stable, and easy to interpret.

- ***Better inflation tracking:*** Oil is a key driver of headline inflation and a direct input into transportation and goods prices. A well-constructed index more clearly reflects global energy cost pressures and their transmission into the broader economy.
- ***Practical for financial and analytical use:*** Because it relies on widely recognized benchmarks and aligns with how oil is priced in physical and financial contracts, the index is easier to integrate into trading systems, risk models, and macroeconomic analysis. The underlying data is also standardized, widely available, and consistently updated.

5. Summary

The Truflation Global Crude Oil Benchmark Index (TruOil) provides a transparent, rules based framework for tracking global crude oil price dynamics through a combination of liquidity driven and structurally relevant benchmarks. By anchoring the index in exchange traded futures markets it ensures that price movements reflect real, observable market activity.

The hybrid weighting methodology balances market driven price discovery with global relevance, resulting in an index that is both robust and representative of the broader crude oil ecosystem. Quarterly rebalancing based on trading volume further enhances responsiveness to evolving market conditions while maintaining structural stability over time.

Overall, the TruOil Index serves as a reliable and consistent benchmark for analyzing crude oil markets, with applications spanning energy market analysis, macroeconomic monitoring, inflation tracking, and financial product development.

6. Version History

Version	Date Released	Notes
1.0	June 18, 2026	Genesis of the TruOil Index