HAYNES BOONE

Nichols in the Houston Business Journal: Diesel Prices Reach Records Highs in Houston, Could Get Worse

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Diesel prices have reached record highs, driving up costs across the economy and adding pressure to already strained supply chains. Haynes Boone Energy Partner **Jeff Nichols** spoke with the *Houston Business Journal* about the market forces behind rising diesel prices, the impact on inflation and why relief may not come anytime soon.

Read an excerpt from the article below.

"High diesel prices are an immediate input to inflation because it just gets passed through to everything you buy," Nichols said. "Everything you do, everything you buy, diesel is involved somehow. So diesel powers the (gross domestic product)." …

"All this is backdrop to why diesel and jet fuel inverted for the first time maybe ever this year," Nichols said. …

"I think it's going to get worse before it gets better," Nichols said. …

"People frequently use the rocket and feather analogy that the prices shoot up like a rocket, but then come down like a feather, and that's because they're just reacting when there's a crisis and there's a price spike," Nichols said. "There's been so much volatility, so you're reluctant to decrease prices too quickly because it could just increase again."

Read the full article from the *Houston Business Journal* **here**