



MarketWatch | Refined Products

Wednesday, April 16, 2025

Market Commentary

Recap: The oil market continued to mostly tread water and posted an inside trading day as it weighed the latest oil demand forecast against the Trump administration's ever-changing tariff policies. The market, which traded within last Thursday's trading range for the third consecutive session, traded higher in overnight trading and posted a high of \$62.06 in light of President Donald Trump's suggestion of some exemptions to auto-related tariffs already in place. However, the market gave up its gains and sold off to a low of \$60.88 after the IEA cut its forecast for global oil demand growth to 730,000 bpd this year from a previous forecast of 1.03 million bpd and to 690,000 bpd next year due to the escalating trade tensions. The market's losses remained limited and retraced some of its losses in light of the news of President Trump considering modifications to the auto-related tariffs. The crude market later settled in a sideways trading range during the remainder of the session. The May WTI contract ended the session down 20 cents at \$61.33 and the June Brent contract settled down 21 cents at \$64.67. The product markets ended the session mixed, with the heating oil market settling down 1.33 cents at \$2.0784 and the RB market settling up 22 points at \$2.0244.

Technical Analysis: The crude market on Wednesday will continue on its sideways trading range as the market awaits the release of the weekly petroleum stocks reports, which are expected to show builds in crude stocks of over 3 million barrels. The market will also weigh any news regarding the Trump administration's tariff policies and its impact on the global economy. The market is seen finding support at its lows of \$60.88, \$60.59, \$59.43, \$58.76, \$58.26, \$56.42 and \$55.12. More distant support is seen at \$51.64. Meanwhile, resistance is seen at \$62.06, \$62.68, \$63.34, \$63.70, \$65.72 and \$66.90.

Fundamental News: On Monday, U.S. President Donald Trump suggested he may grant exemptions to auto-related levies already in place. President Trump said he was considering a modification to the 25% tariffs imposed on foreign auto and auto parts imports from Mexico, Canada and other places.

The IEA sharply cut its forecast for the growth in global oil demand this year due to escalating trade tensions. The IEA said "The deteriorating outlook for the global economy amid the sudden sharp escalation in trade tensions in early April has prompted a downgrade to our forecast for oil demand growth this year." In its monthly report, the IEA cut its 2025 world oil demand growth forecast to 730,000 bpd, down from a previous forecast of 1.03 million bpd. It said "Growth is expected to slow further in 2026, to 690,000 bpd, as lower oil prices only partly offset the weaker economic environment." The IEA also cut its 2025 global supply growth forecast by 260,000 bpd to 1.2 million bpd due to a decline in U.S. and Venezuelan output. The IEA said a fall in oil prices is a challenge for U.S. shale producers, who over the last two decades helped to turn the United States into the world's largest producer. It said "New tariffs may also make it more expensive to buy steel and equipment, further discouraging drilling." Together with the impact of Chinese tariffs on imports of U.S. ethane and liquefied petroleum gas, these factors prompted the IEA to cut its U.S. oil supply forecast by 150,000 bpd this year to growth of 490,000 bpd. The IEA said that conventional oil projects remain on track and it sees total supply from outside OPEC+ increasing by 1.3 million bpd in 2025, comfortably above the rate of demand growth and suggesting a sizeable surplus.

The EIA said in its Annual Energy Outlook that U.S. oil production will peak at 14 million bpd in 2027, hold near that level through the end of the decade, and then rapidly decline. It said oil output will fall to about 11.28 million bpd in 2050 from around 13.69 million bpd this year.

Early Market Call - as of 8:15 AM EDT

WTI - May \$61.83, up 50 cents

RB0B - May \$2.0422, up 1.78 cents

HO - May \$2.1010, up 2.26 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-25	\$2.0784	-\$0.0133	\$0.0214
Jun-25	\$2.0386	-\$0.0094	\$0.0336
Jul-25	\$2.0263	-\$0.0097	\$0.0347
Aug-25	\$2.0261	-\$0.0094	\$0.0347
Sep-25	\$2.0318	-\$0.0097	\$0.0341
Oct-25	\$2.0390	-\$0.0097	\$0.0338
Nov-25	\$2.0432	-\$0.0092	\$0.0328
Dec-25	\$2.0455	-\$0.0079	\$0.0313
Jan-26	\$2.0511	-\$0.0070	\$0.0307
Feb-26	\$2.0510	-\$0.0061	\$0.0302
Mar-26	\$2.0441	-\$0.0054	\$0.0300
Apr-26	\$2.0322	-\$0.0047	\$0.0295
May-26	\$2.0280	-\$0.0053	\$0.0287
Jun-26	\$2.0274	-\$0.0064	\$0.0277
Jul-26	\$2.0351	-\$0.0068	\$0.0288
Aug-26	\$2.0435	-\$0.0068	\$0.0300
Sep-26	\$2.0526	-\$0.0066	\$0.0314

Sprague HeatCurve October 2025-April 2026

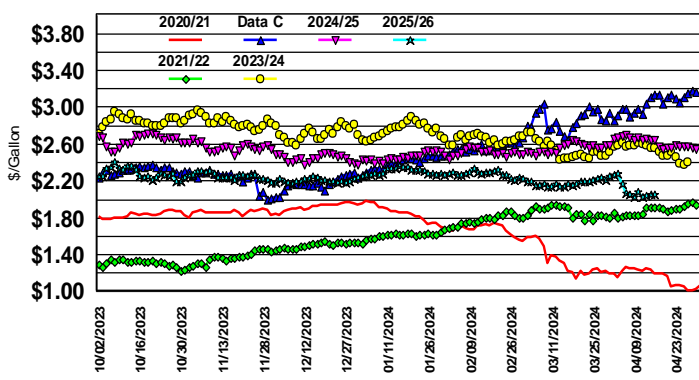
	Close	Change
Crude - WTI	\$60.7500	-\$0.3000
Crude - Brent	\$64.6700	-\$0.2100
Natural Gas	\$3.3290	\$0.0040
Gasoline	\$2.0244	\$0.0022

API Report for the Week Ending April 11, 2024

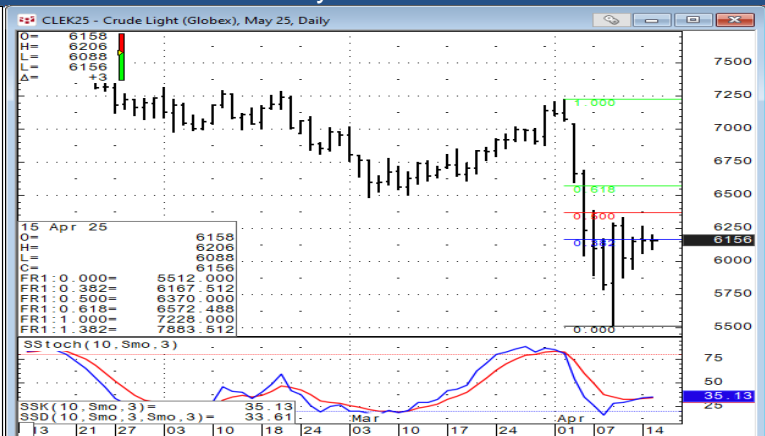
	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 2.4 million barrels	Up 3.5 million barrels
Gasoline Stocks	Down 3 million barrels	Down 2.3 million barrels
Distillate Stocks	Down 3.2 million barrels	Down 1.6 million barrels
Refinery Runs		Up 0.3% at 87%

Sprague HeatCurve October-April

Sprague HeatCurve October-April



May WTI



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