

Market Commentary

Recap: The oil market gapped lower from \$57.74 to \$56.76 on the opening after OPEC+ decided to accelerate its output hikes on Saturday. OPEC+ agreed to further speed up its production hikes for a second consecutive month, increasing output in June by 411,000 bpd. The June increase by eight OPEC+ participants will take the total combined increase for April, May and June to 960,000 bpd, representing a 44% unwinding of the 2.2 million bpd of various cuts agreed on since 2022. The market quickly posted a low of \$55.30 and traded mostly sideways before it retraced its losses and began to backfill its opening gap. The market traded to a high of \$57.70 early in the morning. The market later settled in a sideways trading pattern during the remainder of the session as the market remained pressured by concerns of more supply coming into a market amid an uncertain demand outlook. The June WTI contract settled down \$1.16 at \$57.13 and the July Brent contract settled down \$1.06 at \$60.23. Both contracts settled at the lowest level since February 2021. The product markets ended the session in mixed territory, with the heating oil market settling down 1.87 cents at \$1.9745 and the RB market settling up 29 points at \$2.0228.

Technical Analysis: The crude market on Tuesday is seen remaining in a sideways trading range ahead of the release of the weekly petroleum stocks reports on Tuesday evening and Wednesday morning and ahead of the Federal Reserve meeting on Wednesday, in which the central bank is expected to keep interest rates unchanged. The market's gains will be limited by the OPEC+ decision to accelerate its output hikes. While Saudi Arabia is likely attempting to force a greater adherence to quotas within OPEC, it is also likely attempting to impede further production increases in non-OPEC producing regions. The market is seen finding support at its low of \$55.30, \$54.67 and \$51.64. Meanwhile, resistance is seen at \$57.70, \$57.74, \$59.87, \$60.43, \$60.64, \$61.62, \$62.07, \$63.92 and \$64.87.

Fundamental News: President Donald Trump said the declining oil price is intensifying pressure on Russia and increasing the odds for a deal to end its war in Ukraine. His comments come a week ahead of his planned trip to Saudi Arabia, Qatar and the UAE.

On Saturday, OPEC+ agreed to accelerate oil production hikes for a second consecutive month, raising output in June by 411,000 bpd, despite falling prices and expectations of weaker demand. Following an online meeting lasting just over an hour, the producer group announced the supply increase, saying the fundamentals of the oil market were healthy and inventories were low. The June increase from the eight will take the total combined hike for April, May and June to 960,000 bpd, representing a 44% unwinding of the 2.2 million bpd cut.

UBS sees Brent crude oil price recovering to \$68/barrel in the coming months despite near term pressure. It anticipates a further seasonal increase in global oil demand in the coming months amid the driving season in the U.S. and the increasing temperatures in the Middle East.

Barclays cut its Brent crude oil price forecast for 2025 and 2026, citing the decision by OPEC+ to expedite the phasing out of their voluntary production adjustments and accelerate output. The bank now expects Brent to average \$66/barrel in 2025, down \$4 from its previous forecast, and \$60/barrel in 2026, a \$2 reduction. The bank now anticipates OPEC+ to fully phase out the additional voluntary adjustments by October 2025, but also projects slightly slower U.S. oil output growth.

Goldman Sachs reduced its oil price forecast following decisions by OPEC+ to accelerate oil output increases. The bank now expects Brent crude to average \$60/barrel for the rest of 2025 and \$56/barrel in 2026 down by \$2 from its previous estimate. It has also cut its forecast for WTI crude by \$3/barrel, now projecting it to average \$56/barrel for the remainder of 2025 and \$52/barrel in 2026.

Early Market Call - as of 9:00 AM EDT

WTI - Jun \$58.60, up \$1.37

RBOb - Jun \$2.0524, up 2.46 cents

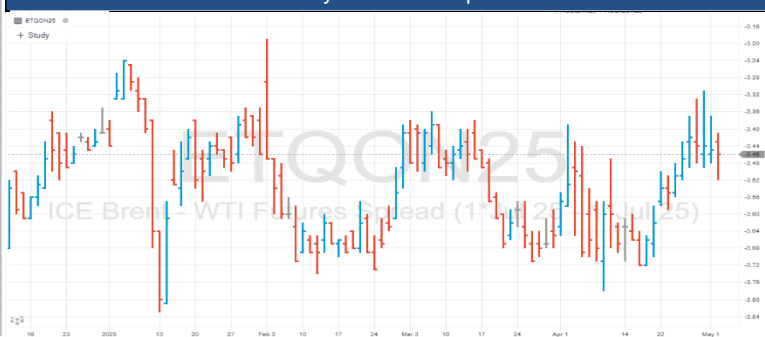
HO - Jun \$2.0084, up 2.99 cents

All NYMEX | Prior Settlements

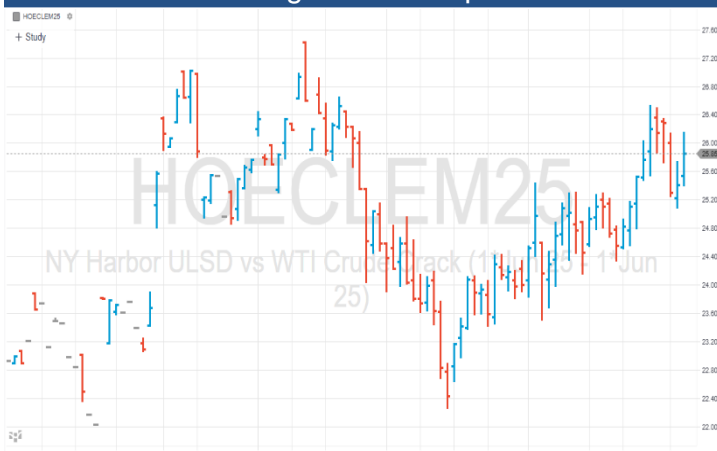
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	1.9745	-0.0187	-0.1241
May-25	1.9598	-0.0185	-0.1176
Jun-25	1.9636	-0.0186	-0.1138
Jul-25	1.9729	-0.0185	-0.1110
Aug-25	1.9825	-0.0183	-0.1084
Sep-25	1.9898	-0.0180	-0.1056
Oct-25	1.9946	-0.0177	-0.1033
Nov-25	1.9999	-0.0180	-0.1020
Dec-25	1.9982	-0.0184	-0.1012
Jan-26	1.9897	-0.0185	-0.0998
Feb-26	1.9768	-0.0187	-0.0978
Mar-26	1.9727	-0.0186	-0.0956
Apr-26	1.9723	-0.0189	-0.0934
May-26	1.9810	-0.0189	-0.0907
Jun-26	1.9909	-0.0188	-0.0881
Jul-26	2.0017	-0.0188	-0.0858
Aug-26	2.0111	-0.0188	-0.0849

Sprague HeatCurve October 2025-April 2026			\$1.9932
		Close	Change
Crude - WTI	July Brent-	\$56.7500	-\$1.0800
Crude - Brent	WTI Spread	\$60.2300	-\$1.0600
Natural Gas	\$3.48	\$3.5500	-\$0.0800
Gasoline		\$2.0228	\$0.0029

ICE July Brent-WTI Spread



June Heating Oil Crack Spread



June RBOB Crack Spread

