

## Market Commentary

**Recap:** The oil market on Monday rallied higher after the U.S. and China agreed to temporarily cut tariffs, easing concerns over a deepening trade war that has threatened global economic growth and oil demand. Following weekend talks in Geneva, the U.S. and China agreed to temporarily cut levies on each other while trade negotiations continue. The crude market opened 37 cents higher on Sunday evening amid reports of constructive trade talks, ahead of a joint announcement on Monday morning. The market posted a low of \$61.02 before it gradually traded higher and posted a high of \$63.61 early in the morning. However, the market erased some of its gains during the remainder of the session as questions remain on what the end game will be at the end of the 90 day pause that was agreed to by the U.S. and China. The June WTI contract settled up 93 cents at \$61.95 and the July Brent contract settled up \$1.05 at \$64.96. The product markets ended the session higher, with the heating oil market settling up 4.47 cents at \$2.1111 and the RB market settling up 2.47 cents at \$2.1331.

**Technical Analysis:** The crude market on Tuesday is seen trending sideways following the market's reaction to the news of the trade deal. While the market was well supported by the news of lower tariffs during the 90 day pause, it will await to see the results of the continuing negotiations. The crude market will also remain headline driven as talks between the U.S. and Iran on its nuclear program are expected to continue in the near term following a meeting this past weekend. The crude market is seen finding support at its low of \$61.02 followed by \$59.89, \$58.83, \$57.74, \$57.03, \$55.30 and \$54.67. Resistance is seen at \$63.61, \$63.92, \$64.87, \$65.26 and \$66.41.

**Fundamental News:** The United States and China said they agreed to a deal to cut reciprocal tariffs as Washington and Beijing seek to end a trade war that has disrupted the global economy. Speaking after talks with Chinese officials in Geneva, U.S. Treasury Secretary Scott Bessent said the two sides had reached a deal for a 90 day pause on measures and that reciprocal tariffs would come down from at least 145% to 30%, while Chinese levies are set to fall from at least 12% to 10% on American goods. The U.S. tariff levels reflect a base 10% tariff that remains on all imports in addition to a total 20% tariff President Trump imposed earlier this year to punish China for what the U.S. says is fentanyl-related chemicals made in China. U.S. President Donald Trump said he does not expect U.S. tariffs on Chinese imports will return to 145% after the 90-day pause ends, adding that he believes Washington and Beijing will have a deal.

Kpler data showed that European Union and UK diesel imports are set to reach 900,000 bpd in May, down from 1.17 million bpd in April. It also reported that European Union and UK gasoline and blending component exports to other regions are expected to reach 1.14 million bpd in May, down from 1.15 million bpd in April.

A U.S. House committee released a budget proposal that includes more than \$1.5 billion to replenish and maintain the SPR and cancels a congressionally mandated sale. The proposal from the House Energy and Commerce Committee contains a \$1.32 billion to purchase oil to help replenish the SPR and \$218 million for maintenance of the facility. The House measure, which faces a committee vote on Tuesday, also repeals a congressionally mandated sale of 7 million barrels from the SPR through fiscal year 2027.

IIR Energy reported that U.S. oil refiners are expected to shut in about 689,000 bpd of capacity in the week ending May 16<sup>th</sup>, increasing available refining capacity by 520,000 bpd. Offline capacity is expected to fall to 227,000 bpd in the week ending May 23<sup>rd</sup>.

### Early Market Call - as of 8:40 AM EDT

WTI - Jun \$62.76, up 80 cents

RB0B - Jun \$2.1463, up 22 points

HO - Jun \$2.1282, up 1.72 cents

## All NYMEX | Prior Settlements

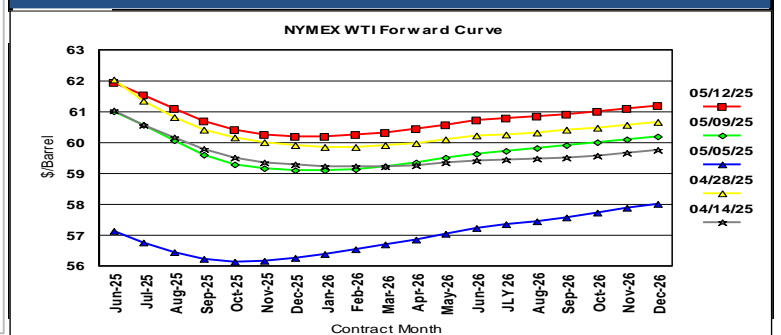
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-25	2.1111	0.0447	0.1366
Jul-25	2.0779	0.0407	0.1181
Aug-25	2.0755	0.0373	0.1119
Sep-25	2.0831	0.0366	0.1102
Oct-25	2.0901	0.0357	0.1076
Nov-25	2.0942	0.0347	0.1044
Dec-25	2.0957	0.0339	0.1011
Jan-26	2.0995	0.0335	0.0996
Feb-26	2.0961	0.0334	0.0979
Mar-26	2.0855	0.0335	0.0958
Apr-26	2.0699	0.0334	0.0931
May-26	2.0632	0.0337	0.0905
Jun-26	2.0604	0.0344	0.0881
Jul-26	2.0673	0.0351	0.0863
Aug-26	2.0761	0.0358	0.0852
Sep-26	2.0859	0.0359	0.0842
Oct-26	2.0951	0.0360	0.0840

### Sprague HeatCurve October 2025-April 2026

\$2.0922

	Close	Change
Crude - WTI	\$61.5600	\$0.9800
Crude - Brent	\$64.9600	\$1.0500
Natural Gas	\$3.6460	-\$0.1490
Gasoline	\$2.1331	\$0.0247

### WTI Forward Curve



## June Heating Oil Crack Spread



## June RBOB Crack Spread

