



MarketWatch | Refined Products

Wednesday, May 21, 2025

Market Commentary

Recap: On its last day as the spot contract, the June WTI contract posted an inside trading day as traders assessed the potential risks stemming from the Ukraine-Russia peace talks and U.S.-Iran nuclear negotiations. Following a call with Russia's President Vladimir Putin, U.S. President Donald Trump on Monday said Russia and Ukraine would resume direct talks but hinted that the U.S. may step back from its mediator role. Meanwhile, Iranian officials said its ability to enrich uranium was non-negotiable, casting doubts over the prospects of a deal that could lift sanctions and increase Iranian oil output. The crude market posted the day's trading range by mid-morning as it traded to a high of \$63.17 in overnight trading and a low of \$62.19 early in the session with no breakthroughs seen in talks to end Russia's war in Ukraine and the U.S.-Iran negotiations. The June WTI contract went off the board down 13 cents at \$62.56, while the July WTI contract ended the session down 11 cents at \$62.03. The July Brent contract settled down 16 cents at \$65.38. The product markets ended the session in positive territory, with the heating oil market settling up 12 points at \$2.1289 and the RB market settling up 1.33 cents at \$2.1521.

Technical Analysis: The crude market will continue to trend sideways amid the uncertainties surrounding the peace talks between Russia and Ukraine and the nuclear negotiations between the U.S. and Iran. The market will look for further direction from the latest weekly petroleum stocks reports, which are expected to show draws across the board, with a build of 1.6 million barrels seen in crude stocks. The July WTI contract is seen finding support at its low of \$61.48 followed by \$60.99, \$60.78, \$60.21, \$60.08, \$59.49 and \$59.23. Meanwhile, resistance is seen at its high of \$62.63, \$62.70, \$63.23 and \$63.44.

Fundamental News: Mehr news reported that Iran's Supreme Leader Ayatollah Ali Khamenei voiced doubts over whether nuclear talks with the United States will lead to an agreement, as Iran reviews a proposal to hold a fifth round of negotiations.

Separately, Iran's Deputy Foreign Minister, Kazem Gharibabadi, said Iran received and is reviewing a proposal for a fifth round of nuclear talks with the United States. An Iranian official told Reuters that the next round of talks could take place over the weekend in Rome, although this remains to be confirmed.

On Tuesday, the European Union and Britain announced new sanctions against Russia without waiting for the United States to join them, a day after President Donald Trump spoke to Russia's President Vladimir Putin without winning a promise for a ceasefire in Ukraine. The EU and London said their new measures would zero in on Moscow's "shadow fleet" of oil tankers and financial companies that have helped it avoid the impact of other sanctions imposed over the war.

The EIA said an expected stronger hurricane season than average raises the risk of weather-related production outages in the U.S. oil industry. It said the concentration of U.S. oil production and refineries along the U.S. Gulf Coast means more than 1 million bpd of U.S. refining capacity, which is about 5% of daily U.S. petroleum consumption, is likely to be shut in anticipation of a major storm.

Bloomberg News reported that President Donald Trump's administration is set to extend Chevron's deadline to halt its operations in Venezuela by another 60 days as the U.S. continues negotiations with President Nicolas Maduro's government over the fate of U.S. detainees in the country.

Early Market Call - as of 8:55 AM EDT

WTI - Jul \$62.82, up 57 cents

RB0B - Jun \$2.1723, up 1.40 cents

HO - Jun \$2.1485, up 1.38 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-25	\$2.1289	\$0.0012	-\$0.0424
Jul-25	\$2.0941	\$0.0028	-\$0.0374
Aug-25	\$2.0814	\$0.0037	-\$0.0426
Sep-25	\$2.0847	\$0.0040	-\$0.0447
Oct-25	\$2.0908	\$0.0039	-\$0.0450
Nov-25	\$2.0931	\$0.0044	-\$0.0459
Dec-25	\$2.0923	\$0.0055	-\$0.0470
Jan-26	\$2.0956	\$0.0063	-\$0.0466
Feb-26	\$2.0927	\$0.0070	-\$0.0453
Mar-26	\$2.0834	\$0.0076	-\$0.0430
Apr-26	\$2.0683	\$0.0081	-\$0.0414
May-26	\$2.0617	\$0.0079	-\$0.0395
Jun-26	\$2.0589	\$0.0074	-\$0.0378
Jul-26	\$2.0657	\$0.0075	-\$0.0364
Aug-26	\$2.0737	\$0.0075	-\$0.0358
Sep-26	\$2.0828	\$0.0077	-\$0.0354
Oct-26	\$2.0908	\$0.0078	-\$0.0364

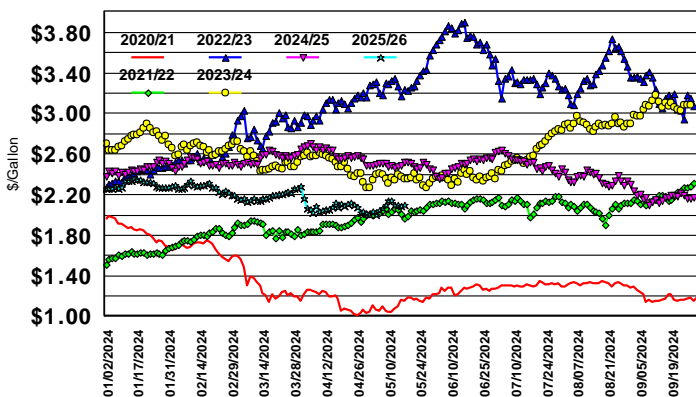
Sprague HeatCurve October 2025-April 2026			\$2.0896
		Close	Change
Crude - WTI	Jul Brent- WTI Spread \$3.35	\$62.0300	-\$0.1100
Crude - Brent		\$65.3800	-\$0.1600
Natural Gas		\$3.4270	\$0.3140
Gasoline		\$2.1521	\$0.0133

API Report for the Week Ending May 16, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 2.5 million barrels	Down 1.6 million barrels
Gasoline Stocks	Down 3.2 million barrels	Down 1.1 million barrels
Distillate Stocks	Down 1.4 million barrels	Down 800,000 barrels
Refinery Runs		Up 1.1% at 91.3%

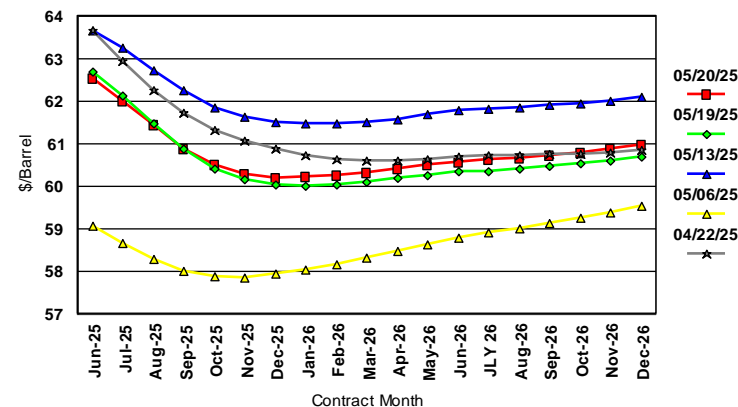
Sprague HeatCurve October-April

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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