

Market Commentary

Recap: The oil market on Friday posted an outside trading day and its first weekly decline of 0.71% in three weeks as the market weighed the news of U.S. President Donald Trump recommending a 50% tariff on the European Union and expectations of OPEC+ increasing its crude output further in July, against the news of the limited progress in nuclear talks between the U.S. and Iran following the end of the fifth round of talks. The crude market traded mostly sideways before it sold off on the news that President Trump is recommending a 50% tariff on goods from the EU starting June 1st. The market also remained pressured by expectations that OPEC+'s meeting next week will yield another output increase of 411,000 bpd for July. However, the market later retraced some of its losses on some short covering ahead of the long Memorial Day weekend and traded to its high of \$61.88. The market also focused on the end of the fifth round of nuclear talks between the U.S. and Iran, which yielded little progress. The crude market later traded in a sideways trading range during the remainder of the session, with the July WTI contract ending the session up 33 cents at \$61.53 and the July Brent contract ending up 34 cents at \$64.78. The product markets, however, end the session in negative territory, with the heating oil market settling down 1.27 cents at \$3.1048 and the RB market settling down 22 points at \$2.1092.

Technical Analysis: The crude market will remain headline driven as the market looks for further developments on the U.S. tariffs negotiations and upcoming OPEC+ meeting as well as any developments on the U.S.-Iran nuclear talks following the conclusion of their fifth round of talks. Support is seen at \$60.02, \$59.63, \$59.49, \$58.53 and \$57.37. Meanwhile, resistance is seen at \$61.88, \$62.10, \$63.05, \$64.19 and \$65.82.

Fundamental News: Iranian and U.S. negotiators ended a fifth round of talks on Friday, with mediator Oman saying there was some limited progress in negotiations aimed at resolving a dispute over Tehran's nuclear ambitions. A source said the sides will meet again, though the date and venue still have to be decided. Iranian Foreign Minister, Abbas Araghchi, said there was potential for progress in the negotiations after Oman made several proposals, but the talks were complicated and more discussions were needed.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for a fourth consecutive week, bringing the count to the lowest level since November 2021. The oil and gas rig count by 10 to 566 in the week ending May 23rd. It was the first time since September 2024 that drillers have reduced the number of rigs four weeks in a row. Baker Hughes said oil rigs fell by eight to 465 this week, their lowest since November 2021. Gas rigs fell by two to 98, their lowest since last month.

IIR Energy said U.S. oil refiners are expected to shut in about 398,000 bpd of capacity in the week ending May 23rd, increasing available refining capacity by 306,000 bpd. Offline capacity is expected to fall to 228,000 bpd in the week ending May 30th and to 153,000 in the week ending June 6th.

The Financial Times reported that U.S. President Donald Trump's trade negotiators are pushing the European Union to make unilateral tariff reductions on U.S. goods, saying without concessions the bloc will not progress in talks to avoid additional 20% "reciprocal" duties. The newspaper said U.S. Trade Representative Jamieson Greer is preparing to tell European Trade Commissioner Maros Sefcovic on Friday that a recent "explanatory note" shared by Brussels for the talks falls short of U.S. expectations. The FT added that the European Union has been pushing for a jointly agreed framework text for the talks but the two sides remain too far apart.

Early Market Call - as of 8:40 AM EDT

WTI - Jul \$61.45, down 31 cents

RBOB - Jun \$2.1142, up 12 points

HO - Jun \$2.1066, down 18 points

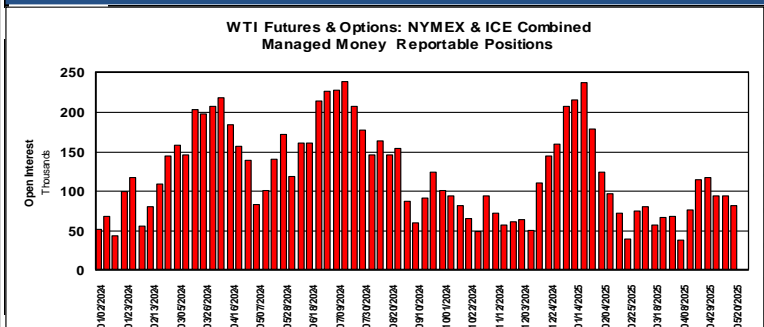
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	2.1048	-0.0127	-0.0358
May-25	2.0750	-0.0076	-0.0274
Jun-25	2.0660	-0.0019	-0.0241
Jul-25	2.0707	-0.0017	-0.0221
Aug-25	2.0774	-0.0013	-0.0212
Sep-25	2.0801	-0.0009	-0.0200
Oct-25	2.0793	-0.0006	-0.0192
Nov-25	2.0826	-0.0003	-0.0183
Dec-25	2.0803	0.0001	-0.0168
Jan-26	2.0717	0.0005	-0.0153
Feb-26	2.0569	0.0008	-0.0140
Mar-26	2.0510	0.0016	-0.0129
Apr-26	2.0492	0.0025	-0.0120
May-26	2.0563	0.0028	-0.0117
Jun-26	2.0642	0.0027	-0.0120
Jul-26	2.0730	0.0023	-0.0124
Aug-26	2.0808	0.0019	-0.0130

Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$61.5300	\$0.3300
Crude - Brent	\$64.7800	\$0.3400
Natural Gas	\$3.3340	\$0.0810
Gasoline	\$2.1092	-\$0.0022

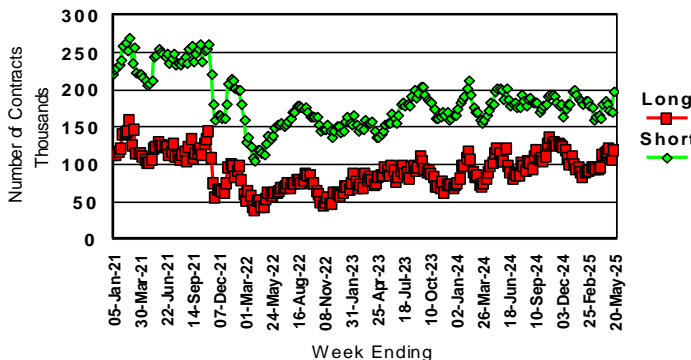
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending May 20, 2025

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

