



MarketWatch | Refined Products

Wednesday, May 28, 2025

Market Commentary

Recap: The oil market traded lower on Tuesday ahead of the OPEC+ meeting later this week, while easing trade tensions provided some support to the market. The crude market traded higher and posted a high of \$62.14 during Monday's shortened trading session in observance for the Memorial Day holiday. The market was supported following President Donald Trump's decision to extend trade talks with the European Union until July 9th, alleviating fears of tariffs that could cut fuel demand. However, the market traded mostly sideways before it sold off on Tuesday on expectations that OPEC+ will likely agree to a further accelerated oil output increase for July during a meeting scheduled for Saturday. The market posted a low of \$60.26 by mid-day. The oil market later settled in a sideways trading range during the remainder of the session. The July WTI contract ended the session down 64 cents at \$60.89 and the July Brent contract ended down 65 cents at \$64.09. The product markets settled in negative territory, with the June heating oil contract settling down 2.54 cents at \$2.0794 and the RB market settling down 3.77 cents at \$2.0715.

Technical Analysis: The crude market on Wednesday will be driven by any headlines following the OPEC+ ministerial meeting on May 28th, even though the producer group is not expected to change its output policy ahead of a meeting of the eight OPEC+ members on Saturday. The market will also look for further news regarding the U.S.-Iran nuclear talks. The market is seen finding support at its low of \$60.26, \$60.02, \$59.63, \$59.49, \$58.53 and \$57.37. Meanwhile, resistance is seen at \$62.14, \$63.05, \$64.19 and \$65.82.

Fundamental News: Russian Deputy Prime Minister, Alexander Novak, said that OPEC+ has not discussed yet increasing output by another 411,000 bpd ahead of its meeting. OPEC+ will hold an online ministerial meeting on May 28th. He said he expected them to discuss current market situation, forecasts and some "adjustments". There will also be a separate meeting of eight OPEC+ countries, which had pledged extra voluntary oil output cuts. They will convene on May 31, a day earlier than planned. The meeting will likely decide on July output, which sources have previously said will be another 411,000 bpd production increase. Separately, Russia's Deputy Prime Minister said that the G7 and European Union plan to lower the price cap for the Russian oil to \$50/barrel from the current level of \$60/barrel were unacceptable and that the restrictions have failed to cut Russian oil exports.

Three delegates said OPEC+ is likely to agree to a further accelerated oil output increase for July this week, in the latest stage of a plan to meet rising demand and increase market share. The sources said that when OPEC+ meets on Wednesday to review the market, it is not expected to change policy. However, they said they expected an output hike to be agreed for July when the eight OPEC+ members meet on Saturday. Three OPEC+ sources said the eight members at their meeting on Saturday may decide on a similar 411,000 bpd output hike for July.

United Arab Emirates Energy Minister, Suhail Mohamed Al Mazrouei, said the OPEC+ oil producer group is doing its best to balance the market but needs to be mindful of rising demand.

On Sunday, U.S. President Donald Trump agreed to an extension on the 50% tariff deadline on the European Union until July 9th. On Tuesday, President Donald Trump said the EU's move to set up trade meetings was positive and that he hoped Europe would "open up" to trade with the U.S.

Early Market Call - as of 8:50 AM EDT

WTI - Jul \$61.72, up 65 cents

RBOB - Jun \$2.0913, up 1.63 cents

HO - Jun \$2.0954, up 1.31 cents

All NYMEX | Prior Settlements

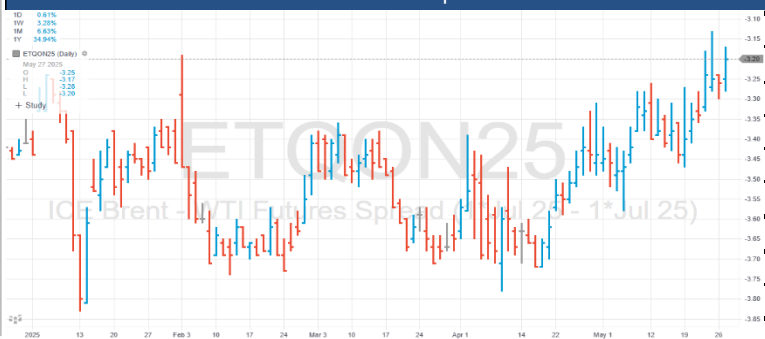
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	2.0794	-0.0254	-0.0483
May-25	2.0530	-0.0245	-0.0383
Jun-25	2.0423	-0.0237	-0.0354
Jul-25	2.0483	-0.0224	-0.0324
Aug-25	2.0559	-0.0215	-0.0310
Sep-25	2.0585	-0.0216	-0.0302
Oct-25	2.0574	-0.0219	-0.0294
Nov-25	2.0605	-0.0221	-0.0288
Dec-25	2.5830	0.5027	0.4973
Jan-26	2.0498	-0.0219	-0.0260
Feb-26	2.0351	-0.0218	-0.0251
Mar-26	2.0289	-0.0221	-0.0249
Apr-26	2.0267	-0.0225	-0.0248
May-26	2.0334	-0.0229	-0.0248
Jun-26	2.0414	-0.0228	-0.0248
Jul-26	2.0502	-0.0228	-0.0249
Aug-26	2.0584	-0.0224	-0.0246

Sprague HeatCurve October 2025-April 2026

\$2.1548

		Close	Change
Crude - WTI	July Brent-WTI Spread \$3.20	\$60.8900	-\$0.6400
Crude - Brent		\$64.0900	-\$0.6500
Natural Gas		\$3.3980	\$0.0640
Gasoline		\$2.0715	-\$0.0377

ICE Brent-WTI Spread



July Heating Oil Crack Spread



July RBOB Crack Spread



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