

Market Commentary

Recap: The oil market traded higher after OPEC+ agreed to establish a mechanism for setting baselines for its 2027 oil production. A separate meeting on Saturday of eight OPEC+ countries is expected to decide on an increase in oil output for July. In overnight trading, the crude market traded sideways and posted a low of \$60.85. However, it retraced its losses and rallied to a high of \$62.54 by mid-day as OPEC+ did not change its output policy at its meeting. The market was also supported by the news that Chevron terminated its contracts it had to operate in Venezuela. The crude market later gave up some of its gains during the remainder of the session, with the July WTI contract settling up 95 cents at \$61.84 and the July Brent contract settling up 81 cents at \$64.90. The product markets ended the session slightly higher, with the heating oil market settling up 87 points at \$2.0881 and the RB market setting up 1.77 cents at \$2.0892.

Technical Analysis: The crude market is seen remaining in its recent trading range amid expectations that the petroleum stocks reports will show a small build of 100,000 barrels on the week. The market is also awaiting further developments on the U.S.-Iran nuclear talks, with sources stating that a political deal would be reached soon, if the U.S. accepted Iran's conditions. However, the market will remain cautious as OPEC+ is expected to decide on an increase in oil output for July at a meeting scheduled for Saturday. The oil market is seen finding resistance at its high of \$62.54, \$63.05, \$64.19 and \$65.82. Meanwhile, support is seen at \$60.98, its low of \$60.85, \$60.26, \$60.02, \$59.64, \$59.49, \$58.49 and \$57.37.

Fundamental News: Iran's nuclear chief, Mohammad Eslami, said Iran might allow the U.N.'s International Atomic Energy Agency to send U.S. inspectors to visit Iranian nuclear sites if Tehran's nuclear talks with Washington succeed. Later two Iranian official sources stated that Iran may pause uranium enrichment if the U.S. releases frozen Iranian funds and recognizes Iran's right to refine uranium for civilian use under a "political deal" that could lead to a broader nuclear agreement. The sources said a "political understanding with the U.S. could be reached soon" if Washington accepted Iran's conditions.

Separately, International Atomic Energy Agency chief, Rafael Grossi, said any deal between Iran and the U.S. that would impose fresh nuclear curbs on Iran should include "very robust" inspections by the U.N. nuclear watchdog.

Israel rejected a report in the New York Times that Prime Minister Benjamin Netanyahu has been threatening to disrupt talks on a nuclear deal between the United States and Iran by striking Iran's main nuclear enrichment facilities. Israel's Prime Minister Netanyahu's office issued a statement in response to the article which said simply: "Fake news".

U.S. President Donald Trump said he warned Israeli Prime Minister Benjamin Netanyahu last week not to take actions that could disrupt nuclear talks with Iran.

Iraq's Oil Minister, Hayan Abdel-Ghani urged commitment to agreements reached during the OPEC+ meeting held earlier in the day, affirming that unity of stance is crucial for stability of oil markets.

IIR Energy said U.S. oil refiners are expected to shut in about 229,000 bpd of capacity in the week ending May 30th, increasing available refining capacity by 169,000 bpd. Offline capacity is expected to fall to 153,000 bpd in the week ending June 6th.

Early Market Call - as of 8:40 AM EDT

WTI - Jul \$61.82, down 4 cents
 RBOB - Jun \$2.0834, down 27 points
 HO - Jun \$2.0842, down 2 points

All NYMEX | Prior Settlements

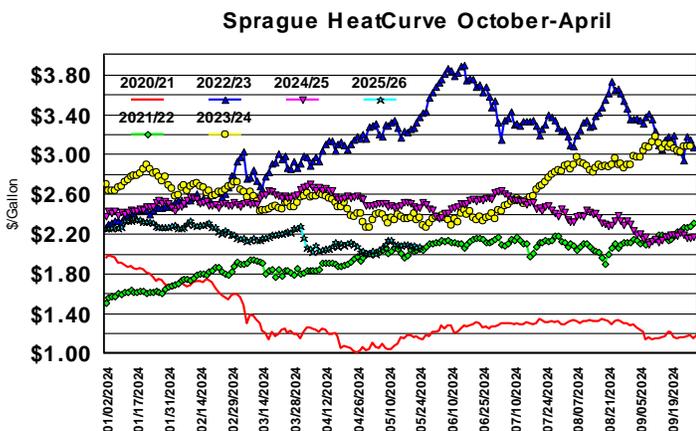
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-25	\$2.0881	\$0.0087	-\$0.0510
Jul-25	\$2.0707	\$0.0177	-\$0.0337
Aug-25	\$2.0625	\$0.0202	-\$0.0269
Sep-25	\$2.0690	\$0.0207	-\$0.0224
Oct-25	\$2.0767	\$0.0208	-\$0.0198
Nov-25	\$2.0790	\$0.0205	-\$0.0192
Dec-25	\$2.0774	\$0.0200	-\$0.0193
Jan-26	\$2.0808	\$0.0203	-\$0.0186
Feb-26	\$2.0787	\$0.0204	-\$0.0176
Mar-26	\$2.0699	\$0.0201	-\$0.0170
Apr-26	\$2.0548	\$0.0197	-\$0.0166
May-26	\$2.0480	\$0.0191	-\$0.0161
Jun-26	\$2.0453	\$0.0186	-\$0.0153
Jul-26	\$2.0515	\$0.0181	-\$0.0150
Aug-26	\$2.0586	\$0.0172	-\$0.0154
Sep-26	\$2.0665	\$0.0163	-\$0.0162
Oct-26	\$2.0739	\$0.0155	-\$0.0172

Sprague HeatCurve October 2025-April 2026			\$2.0753
		Close	Change
Crude - WTI	Jul Brent- WTI Spread \$3.06	\$61.8400	\$0.9500
Crude - Brent		\$64.9000	\$0.9100
Natural Gas		\$3.2040	-\$0.1940
Gasoline		\$2.0892	\$0.0177

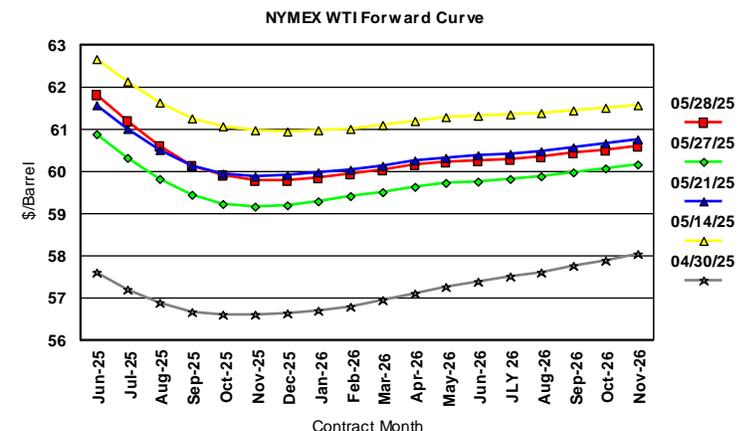
API Report for the Week Ending May 23, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 100,000 barrels	Up 100,000 barrels
Gasoline Stocks	Down 500,000 barrels	Down 1.1 million barrels
Distillate Stocks	Up 500,000 barrels	Up 300,000 barrels
Refinery Runs		Up 1.3% at 92%

Sprague HeatCurve October-April



WTI Forward Curve



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