



MarketWatch | Refined Products

Tuesday, June 3, 2025

Market Commentary

Recap: The oil market traded higher after OPEC+ on Saturday decided to keep its output increases in July at the same level as the previous two months. OPEC+, decided to raise its output by 411,000 bpd in July, the third consecutive monthly increase of that amount. The crude market opened higher, quickly posting a low of \$61.06 and extended its gains throughout the overnight trading hours as the 411,000 bpd increase had already been priced in the market. The oil market posted a high of \$63.88 by mid-morning before it retraced some of its gains and traded back towards the \$62.00 level ahead of the close. The July WTI contract settled up \$1.73 at \$62.52 and the August Brent contract settled up \$1.85 at \$64.63. The product markets ended the session higher, with the heating oil market settling up 2.73 cents at \$2.0445 and the RB market settling up 1.41 cents at \$2.0525.

Technical Analysis: The crude market on Tuesday is seen trading sideways as the market weighs the OPEC+ decision and the latest developments regarding the Ukraine and Russia talks on a possible ceasefire as well as the U.S. -Iran nuclear talks. The market will also keep an eye on the latest developments on the continuing trade talks. The oil market is seen finding support at \$62.19, its low of \$61.06, \$59.74, \$59.57, \$59.49, \$58.49 and \$57.37. Resistance is seen at \$63.88, \$64.19 and \$65.82.

Fundamental News: President Donald Trump's budget proposes to shut as soon as in a few months the Northeast Home Heating Oil Reserve, which stores 1 million barrels of diesel and was designed to protect consumers. The reserve, created in 2000 by former President Bill Clinton, holds enough for roughly 10 days of heating homes. It has not been tapped since 2012, when it provided fuel to emergency responders in the aftermath of Hurricane Sandy. The proposal said the proceeds of a sale of the ultra-low sulfur diesel in fiscal year 2026 would go to U.S. deficit reduction.

An Iranian diplomat said Iran is poised to reject a U.S. proposal to end their nuclear dispute, criticizing it as a "non-starter" that fails to address Iran's interests and leaves the U.S.'s stance on uranium enrichment unchanged.

Ukrainian Defense Minister, Rustem Umerov, said Ukraine believes that all key issues at talks with Russia can only be resolved at the level of leaders and proposes holding a meeting by the end of June to make progress. He led the Ukrainian delegation at the second round of peace talks between Russia and Ukraine that ended barely an hour after they began in Istanbul on Monday, a day after a massive Ukrainian drone attack on Russia's nuclear-capable strategic bombers.

On Saturday, OPEC+ decided on another increase of 411,000 bpd for July as it looks to gain back market share and punish over-producers. The eight countries held an online meeting on Saturday to set July production. An OPEC+ delegate said they also discussed other options. In a statement OPEC+ cited a "steady global economic outlook and current healthy market fundamentals, as reflected in the low oil inventories" as its reasoning for the July increase. Since April, the OPEC+ eight have now made or announced increases totaling 1.37 million bpd or 62% of the 2.2 million bpd they aim to add back to the market.

IIR Energy said U.S. oil refiners are expected to shut in about 263,000 bpd of capacity in the week ending June 6th, increasing available refining capacity by 2,000 bpd. Offline capacity is expected to fall to 174,000 bpd in the week ending June 13th.

Early Market Call - as of 8:30 AM EDT

WTI - Jul \$63.40, up 36 cents

RBOB - Jul \$2.0693, up 58 points

HO - Jul \$2.0735, up 1.64 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.0445	0.0391	-0.0330
Aug-25	2.0384	0.0413	-0.0276
Sep-25	2.0459	0.0407	-0.0248
Oct-25	2.0527	0.0397	-0.0247
Nov-25	2.0543	0.0389	-0.0258
Dec-25	2.0531	0.0383	-0.0262
Jan-26	2.0566	0.0379	-0.0260
Feb-26	2.0544	0.0375	-0.0259
Mar-26	2.0453	0.0372	-0.0264
Apr-26	2.0300	0.0366	-0.0269
May-26	2.0230	0.0356	-0.0280
Jun-26	2.0199	0.0344	-0.0293
Jul-26	2.0260	0.0332	-0.0303
Aug-26	2.0331	0.0322	-0.0311
Sep-26	2.0416	0.0318	-0.0314
Oct-26	2.0493	0.0311	-0.0315
Nov-26	2.0528	0.0307	-0.0308

Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$61.5400	\$1.7500
Crude - Brent	\$64.6300	\$1.8500
Natural Gas	\$3.6940	\$0.2470
Gasoline	\$2.0525	\$0.0141

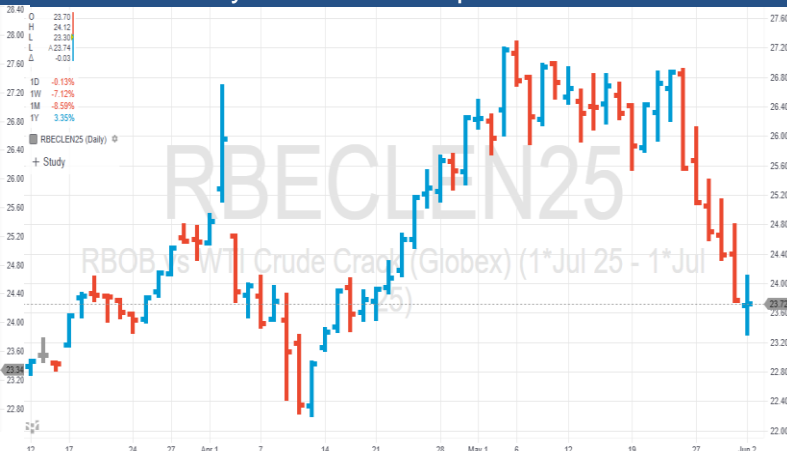
ICE August Brent-WTI Spread



July Heating Oil Crack Spread



July RBOB Crack Spread



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