



MarketWatch | Refined Products

Wednesday, June 4, 2025

Market Commentary

Recap: The crude market on Tuesday continued to trade higher as supply risks offset concerns over increased OPEC+ output. The market was supported by Iran's potential rejection of the latest U.S. nuclear proposal to end their nuclear dispute. On Monday, an Iranian diplomat said Iran was poised to reject a U.S. proposal, saying it fails to address Iran's interests. The market was also supported by concerns over the wildfires in Canada's province of Alberta that has shut in more than 344,000 bpd of oil sands production. Further support came from a weaker dollar, with the dollar index near six week lows amid concerns over the economic outlook due to President Donald Trump's tariff policy. The oil market posted a low of \$62.40 early in the session before it continued to trade higher and posted a high of \$63.89 by mid-day. The market later settled in a sideways trading range during the remainder of the session. The July WTI contract ended the session up 89 cents at \$63.41 and the August Brent contract settled up \$1.00 at \$65.63. The product markets ended the session higher, with the heating oil market settling up 5.54 cents at \$2.0999 and the RB market settling up 2.63 cents at \$2.0788.

Technical Analysis: The oil market on Wednesday will be driven by the weekly petroleum stocks reports, which are expected to show a small draw in crude stocks. The market is seen remaining supported by the Canadian output cuts due to the wildfires. It will also continue to seek further developments on the Ukraine and Russia talks on a possible ceasefire and the possibility of the U.S. imposing sanctions on Russia. The market will also focus on the U.S.-Iran nuclear talks in light of a New York Times report stating that the U.S. is proposing an interim plan that would allow Iran to enrich uranium while it works out a plan with other countries to block Iran from building a nuclear weapon. The crude market is seen finding resistance at its high of \$63.89, \$64.19 and \$65.82. Meanwhile, support is seen at \$62.46, \$62.40, \$61.06, \$59.74, \$59.57, \$58.49 and \$57.37.

Fundamental News: Senior Ukrainian officials visited Washington on Tuesday seeking U.S. support against Russia, as Kyiv showed its ability to fight on by setting off an explosive device under a bridge that has become a symbol of the Kremlin's claims on Ukrainian territory. A day after talks in Istanbul that made little progress towards ending Russia's war in Ukraine, Ukraine's SBU security service said it hit a road and rail bridge that links Russia and Crimea below the water level with explosives. The extent of any damage was not clear but there were no immediate signs of traffic disruption. The bridge is a flagship project for Russian President Vladimir Putin, built after he annexed Crimea from Ukraine in 2014. Andriy Yermak, chief of staff to Ukrainian President Volodymyr Zelenskyy, arrived in the United States along with Deputy Prime Minister Yulia Svyrydenko. Ukraine says Moscow is stalling the peace talks and President Zelenskyy's chief of staff signaled that he would press Ukrainian demands for tougher sanctions on Russia.

Bloomberg reported that according to Kayros, which monitors global oil inventories, is estimating that crude oil inventories have grown by some 170 million barrels over the past 100 days, led in part by gains in Chinese crude stocks. RBC Capital Markets in a recent research note estimates the global crude stocks during the second quarter have grown by 1.5 million b/d faster through the middle of May compared to the same period last year.

Wildfires in Alberta have shut down nearly 350,000 b/d of heavy crude oil production at the start of this week due to raging wildfires. Cenovus Energy, MEG Energy and Canadian Natural Resources are among the companies that have curtailed output due to the Caribou Lake Wildfire.

Early Market Call - as of 8:50 AM EDT

WTI - Jul \$63.00, down 34 cents
RBOB - Jul \$2.0572, down 1.33 cents
HO - Jul \$2.0943, down 48 points

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	\$2.0999	\$0.0554	\$0.0469
Aug-25	\$2.0891	\$0.0507	\$0.0468
Sep-25	\$2.0916	\$0.0457	\$0.0433
Oct-25	\$2.0951	\$0.0424	\$0.0392
Nov-25	\$2.0947	\$0.0404	\$0.0362
Dec-25	\$2.0922	\$0.0391	\$0.0348
Jan-26	\$2.0954	\$0.0388	\$0.0349
Feb-26	\$2.0931	\$0.0387	\$0.0348
Mar-26	\$2.0839	\$0.0386	\$0.0341
Apr-26	\$2.0681	\$0.0381	\$0.0330
May-26	\$2.0606	\$0.0376	\$0.0317
Jun-26	\$2.0570	\$0.0371	\$0.0303
Jul-26	\$2.0627	\$0.0367	\$0.0293
Aug-26	\$2.0694	\$0.0363	\$0.0280
Sep-26	\$2.0773	\$0.0357	\$0.0271
Oct-26	\$2.0844	\$0.0351	\$0.0260
Nov-26	\$2.0877	\$0.0349	\$0.0258

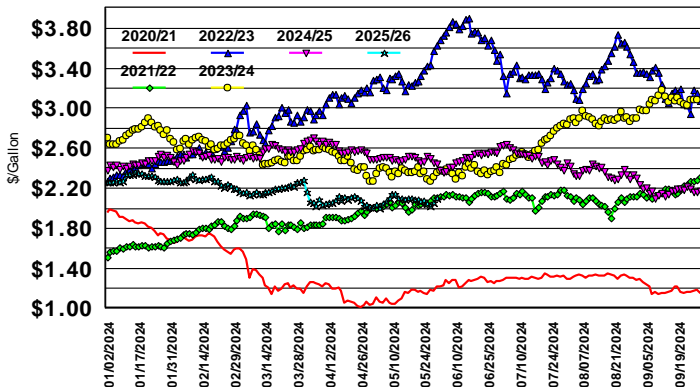
Sprague HeatCurve October 2025-April 2026			\$2.0901
		Close	Change
Crude - WTI	Jul Brent- WTI Spread \$3.15	\$62.4800	\$0.9400
Crude - Brent		\$65.6300	\$1.0000
Natural Gas		\$3.7220	\$0.0280
Gasoline		\$2.0788	\$0.0263

API Report for the Week Ending May 30, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 3.3 million barrels	Down 600,000 barrels
Gasoline Stocks	Up 4.7 million barrels	Down 100,000 barrels
Distillate Stocks	Up 760,000 barrels	Up 300,000 barrels
Refinery Runs		Up 0.9% at 91.1%

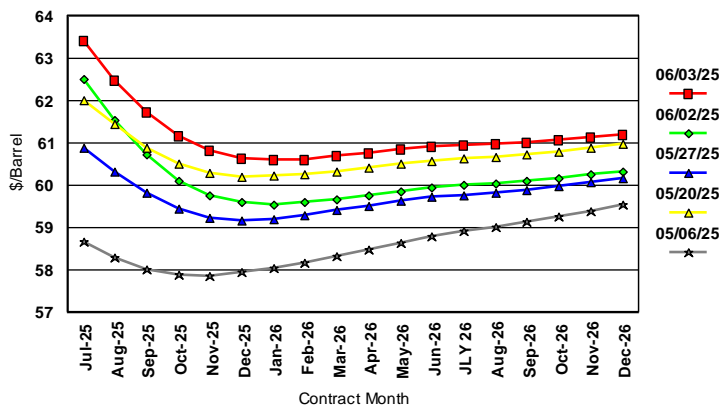
Sprague HeatCurve October-April

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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