

## Market Commentary

**Recap:** The oil market on Wednesday posted an outside trading day, with the market weighing the OPEC+ output cuts against concerns over the wildfires in Canada. The market posted the day's trading range by mid-day as it traded to a high of \$63.96 ahead of the release of the EIA's weekly petroleum stocks report. The market, however, gave up its gains as the market disregarded the large draw in crude stocks of over 4 million barrels and focused on the unexpectedly large builds of over 4 million barrels in distillates stocks and 5 million barrels in gasoline stocks. The market was also pressured following in light Bloomberg News reporting that Saudi Arabia wants OPEC+ to add at least 411,000 bpd in August and September. The market sold off to a low of \$62.17 before it settled in a sideways trading range during the remainder of the session. The July WTI contract settled down 56 cents at \$62.85 and the August Brent contract settled down 77 cents at \$64.86. The product markets ended the session lower amid the builds in stocks, with the heating oil market settling down 2.98 cents at \$2.0701 and the RB market settling down 4.48 cents at \$2.0340.

**Technical Analysis:** The crude market is seen trending sideways as it continues to seek further developments on the increased tensions between Russia and Ukraine. U.S. President Donald Trump said that Russia's President Vladimir Putin said he would have to respond to Ukraine's recent attack, dampening the prospects for immediate peace between Russia and Ukraine. Meanwhile, the market's gains will remain limited amid the concerns over increased OPEC+ output and the reports that Saudi Arabia wants OPEC+ to increase output by 411,000 bpd again in August and September. The oil market is seen finding support at \$62.17, \$61.06, \$59.74, \$59.57, \$58.49 and \$57.37. Meanwhile, resistance is seen at \$63.96, \$64.19 and \$65.82.

**Fundamental News:** U.S. President Donald Trump said he discussed the recent drone attack by Ukraine on Russia and developments concerning Iran in a telephone conversation with Russian President Vladimir Putin. During the conversation, Russia's President told President Trump that Russia will have to respond to the Ukrainian drone attacks.

Ukraine's President Volodymyr Zelenskyy proposed a ceasefire until a meeting between him and Russian President Vladimir Putin takes place. Meanwhile, Russian Deputy Foreign Minister, Sergei Ryabkov, said that all options are on the table in response to Ukraine's attacks on Russian territory. He added that the defense ministry would decide on possible response measures. Earlier, U.S. President Donald Trump's Ukraine envoy, Keith Kellogg, said the risk of escalation from the war in Ukraine was "going way up" after Ukrainian forces used drones to strike nuclear-capable bombers at several airbases deep inside Russia.

Canadian Natural Resources restarted its Jackfish 1 oil sands site in northern Alberta after determining wildfires in the region were a safe distance away. Late Tuesday, it stated that its operations at the site will ramp up over the next several days, targeting full production of about 36,500 bpd by Friday. The company is one of several whose operations in Canada's main oil producing province have been disrupted due to wildfires. About 344,000 bpd of oil sands production was offline earlier this week, representing about 7% of Canada's crude oil output. As of Wednesday morning, about 238,000 bpd of production remained halted at Cenovus Energy's Christina Lake oil sands facility.

IIR Energy said U.S. oil refiners are expected to shut in about 276,000 bpd of capacity in the week ending June 6<sup>th</sup>, cutting available refining capacity by 11,000 bpd. Offline capacity is expected to fall to 174,000 bpd in the week ending June 13<sup>th</sup>.

### Early Market Call - as of 8:35 AM EDT

WTI - Jul \$63.11, up 37 cents

RB0B - Jul \$2.0502, up 1.63 cents

HO - Jul \$2.0781, up 1.05 cents

## All NYMEX | Prior Settlements

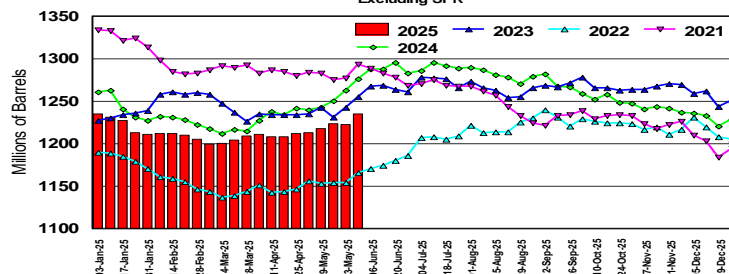
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.0701	-0.0298	-0.0006
Aug-25	2.0629	-0.0262	0.0004
Sep-25	2.0670	-0.0246	-0.0020
Oct-25	2.0706	-0.0245	-0.0061
Nov-25	2.0692	-0.0255	-0.0098
Dec-25	2.0655	-0.0267	-0.0119
Jan-26	2.0684	-0.0270	-0.0124
Feb-26	2.0660	-0.0271	-0.0127
Mar-26	2.0570	-0.0269	-0.0129
Apr-26	2.0416	-0.0265	-0.0132
May-26	2.0345	-0.0261	-0.0135
Jun-26	2.0311	-0.0259	-0.0142
Jul-26	2.0371	-0.0256	-0.0144
Aug-26	2.0444	-0.0250	-0.0142
Sep-26	2.0529	-0.0244	-0.0136
Oct-26	2.0609	-0.0235	-0.0130
Nov-26	2.0649	-0.0228	-0.0121

### Sprague HeatCurve October 2025-April 2026 \$2.0901

	Close	Change
Crude - WTI	\$62.8500	-\$0.5600
Crude - Brent	\$64.8600	-\$0.7700
Natural Gas	\$3.7160	-\$0.0060
Gasoline	\$2.0340	-\$0.0448

### Total U.S. Oil Stocks

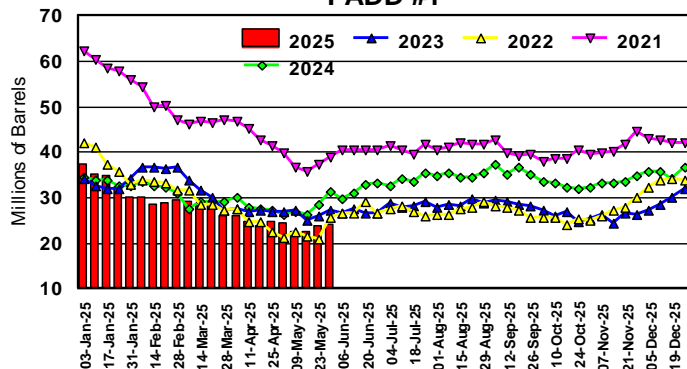
Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending May 30, 2025

### Distillate Stocks

#### PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 4.304 million barrels

Cushing, OK Crude Stocks Up 576,000 barrels

Gasoline Stocks Up 5.219 million barrels

Distillate Stocks Up 4.23 million barrels

Refinery % Operated 93.4%, up 3.2%

#### PADD #1

	Week Ending May 30, 2025	Week Ending May 23, 2024	Week Ending May 31, 2024
Distillate Stocks (in million bbl)			
New England	3.0	3.0	4.3
Central Atlantic	11.1	11.3	14.7
Total PADD #1	24.1	23.6	31.2
Distillate Imports (thousands b/d)	145	90	88