

Market Commentary

Recap: The oil market on Friday continued to trend higher on Friday and posted a weekly gain of 6.23%, the first gain in three weeks, after U.S. President Donald Trump and China's President Xi Jinping resumed trade talks. The market retraced some more of Thursday's early gains as it posted a low of \$62.82 in overnight trading. However, the market rebounded and rallied higher by mid-morning. The crude market rallied on the news that U.S. and Chinese officials plan to hold talks within seven days after President Trump and his Chinese counterpart spoke on Thursday. The market was also supported as prospects of an imminent deal between the U.S. and Iran dimmed after further sanctions were imposed on Iran and after Iran ordered thousands of tons of ballistic-missile ingredients from China. The oil market retraced more than 62% of its move from a high of \$71.10 to a low of \$54.33 as it traded to \$64.72, where it held some resistance before it continued to trade higher in afternoon trading. It posted a high of \$64.80 and settled in a sideways trading range ahead of the close. The July WTI contract ended the session up \$1.21 at \$64.58 and the August Brent contract settled up \$1.13 at \$66.47. The product markets remained higher, with the heating oil market settling up 3.08 cents at \$2.1253 and the RB market settling up 1.39 cents at \$2.0768.

Technical Analysis: The crude market will remain supported by the news of the trade negotiations resuming between the U.S. and China. It will also remain supported by the lack of progress in the U.S.-Iran nuclear talks, as the U.S. continues to impose further sanctions against Iran, and talks between Ukraine and Russia following the recent escalation in their attacks against each other. The oil market is seen finding resistance at its high of \$64.80, \$65.82 followed by more distant resistance at \$69.42. Support is seen at \$62.82, \$62.50, \$62.17, \$61.06, \$59.74, \$59.57 and \$59.49.

Fundamental News: On Friday, White House trade adviser Peter Navarro said the planned meeting between U.S. and Chinese officials on trade is expected to take place within seven days, a day after President Donald Trump and his Chinese counterpart Xi Jinping spoke.

The Treasury Department said the U.S. issued Iran-related sanctions targeting more than 30 individuals and entities it said are part of a "shadow banking" network that has laundered billions of dollars through the global financial system.

Baker Hughes said U.S. energy firms this week cut the number of oil and natural gas rigs operating for a sixth consecutive week since September 2023. The oil and gas rig count fell by four to 559 in the week ending June 6th, the lowest since November 2021. The number of rigs searching for oil fell by 9 on the week to 442 and the number of rigs searching for natural gas increased by 5 on the week to 114.

HSBC expects OPEC+ to accelerate supply hikes in August and September, which is likely to increase downside risks to the bank's \$65/barrel Brent forecast from the fourth quarter of 2025. The bank expects OPEC+ to implement two substantial production increases in August and September of 411,000 bpd and 274,000 bpd, respectively, compressing five increases into two months. According to HSBC's latest supply and demand model, the oil market is expected to show surpluses of 300,000 bpd and 900,000 bpd for 2026, up from previous forecasts of 200,000 bpd and 700,000 bpd, driven by higher OPEC+ output. HSBC notes that the oil market appears balanced in the second and third quarters, as oil demand increases in summer and peaks in July and August, matching supply increases from OPEC+. However, the bank expects accelerated OPEC+ hikes would tip the market into a bigger surplus in the fourth quarter of 2025 than previously forecast.

IIR Energy reported that U.S. oil refiners are expected to shut in about 276,000 bpd of capacity in the week ending June 6th, cutting available refining capacity by 11,000 bpd. Offline capacity is expected to fall to 210,000 bpd in the week ending June 13th and to 153,000 in the week ending June 20th.

Early Market Call - as of 8:20 AM EDT

WTI - Jul \$64.95, up 18 cents

RB0B - Jul \$2.0862, up 59 cents

HO - Jul \$2.1437, up 1.3 cents

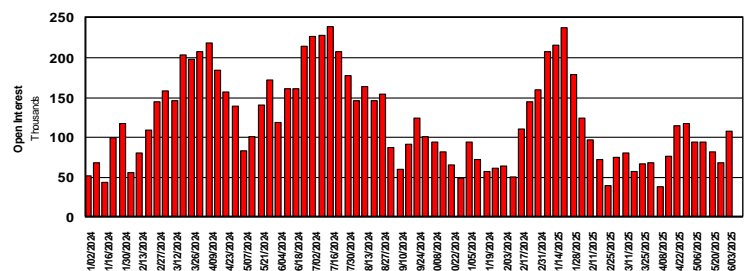
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.1253	0.0308	0.1199
Aug-25	2.1112	0.0264	0.1141
Sep-25	2.1135	0.0255	0.1083
Oct-25	2.1159	0.0249	0.1029
Nov-25	2.1124	0.0240	0.0970
Dec-25	2.1064	0.0230	0.0916
Jan-26	2.1077	0.0224	0.0890
Feb-26	2.1041	0.0222	0.0872
Mar-26	2.0935	0.0219	0.0854
Apr-26	2.0768	0.0215	0.0834
May-26	2.0687	0.0214	0.0813
Jun-26	2.0644	0.0212	0.0789
Jul-26	2.0698	0.0211	0.0770
Aug-26	2.0765	0.0209	0.0756
Sep-26	2.0843	0.0207	0.0745
Oct-26	2.0919	0.0205	0.0737
Nov-26	2.0951	0.0195	0.0730

Sprague HeatCurve October 2025-April 2026 \$2.1030

	Close	Change
Crude - WTI	\$63.6300	\$1.1500
Crude - Brent	\$66.4700	\$1.1300
Natural Gas	\$3.7840	\$0.1070
Gasoline	\$2.0768	\$0.0139

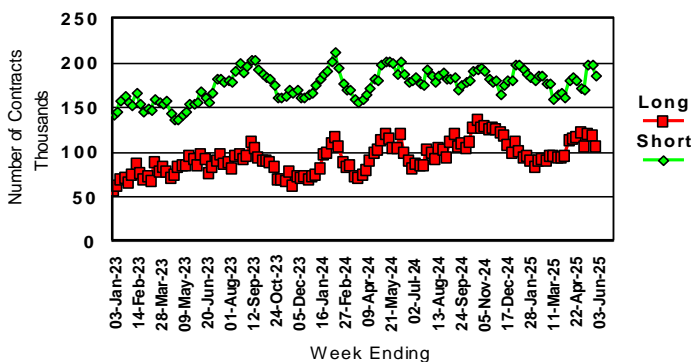
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending June 3, 2025

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

