



MarketWatch | Refined Products

Tuesday, June 10, 2025

Market Commentary

Recap: The oil market traded higher on Monday as U.S.-China trade talks resumed after U.S. President Donald Trump and China's President Xi Jinping had a phone conversation on Thursday. The market traded lower in overnight trading on news that China's export growth in May slowed to a three-month low as U.S. tariffs cut shipments while factory gate deflation deepened to its worst level in two years. The crude market posted a low of \$64.20 before it retraced its losses. The crude market extended its gains to \$65.27 by mid-day. The market later gave up some of its gains and traded sideways before it rallied to a high of \$65.38 ahead of the close. The July WTI contract settled up 71 cents at \$65.29 and continued to trend higher in the post settlement period to a high of \$65.43. The August Brent contract settled up 57 cents at \$67.04. The product markets ended the session higher, with the heating oil market settling up 2.11 cents at \$2.1464 and the RB market settling up 1.84 cents at \$2.0952.

Technical Analysis: The crude market on Tuesday is seen remaining sideways as the market awaits the outcome of the U.S.-China trade talks. The market will also look for further direction from any developments on the U.S.-Iran nuclear talks, which are expected to continue on Thursday, and the 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 \$65.43, \$65.82 and \$69.42. Meanwhile, support is seen at its low of \$64.20, its support line at \$63.90, \$62.82, \$62.50, \$62.17, \$61.06, \$59.74, \$59.57 and \$59.49.

Fundamental News: Top U.S. and Chinese officials were meeting in London on Monday to try to defuse a high-stakes trade dispute that has widened beyond tit-for-tat tariffs to restrictions over rare earths. Officials from the two superpowers were meeting to try to get back on track with a preliminary agreement struck last month in Geneva that had briefly lowered the temperature between Washington and Beijing. Attending the talks in London are U.S. Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick and U.S. Trade Representative Jamieson Greer, and a Chinese contingent headed by Vice Premier He Lifeng. The second round of meetings comes four days after U.S. President Donald Trump and China's President Xi Jinping spoke by phone, their first direct interaction since President Trump's inauguration. Earlier, White House economic adviser, Kevin Hassett, said the three top U.S. trade negotiators are seeking a handshake in London to seal the agreement on rare earths agreed to by Presidents Donald Trump and Xi Jinping. He said the expectation is that immediately after the handshake, export controls will be eased and rare earths will be released in volume.

ING analysts said WTI's discount to Brent has been narrowing on a combination of increased OPEC+ output, modest U.S. crude oil supply growth and the potential for output declines next year.

According to a new projection by S&P Global Commodity Insights, oil prices could fall below \$50/barrel this year as new supply from OPEC and its allies comes onto the market in the coming months. However, global head of crude oil research at S&P Global Commodity Insights, Jim Burkhard, said don't expect the momentum to last.

According to a Reuters survey, OPEC oil output increased in May by less than the volume planned, as Iraq made further cuts to compensate for earlier pumping above target and Saudi Arabia and the United Arab Emirates made smaller increases than allowed. OPEC produced 26.75 million bpd in May, up 150,000 bpd from April's total, with Saudi Arabia making the largest increase.

Early Market Call - as of 8:40 AM EDT

WTI - Jul \$65.63, up 25 cents

RBOB - Jul \$2.1077, up 1.25 cents

HO - Jul \$2.1541, up 65 points

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.1464	0.0211	0.1019
Aug-25	2.1289	0.0177	0.0905
Sep-25	2.1302	0.0167	0.0843
Oct-25	2.1320	0.0161	0.0793
Nov-25	2.1282	0.0158	0.0739
Dec-25	2.1216	0.0152	0.0685
Jan-26	2.1228	0.0151	0.0662
Feb-26	2.1190	0.0149	0.0646
Mar-26	2.1079	0.0144	0.0626
Apr-26	2.0907	0.0139	0.0607
May-26	2.0822	0.0135	0.0592
Jun-26	2.0774	0.0130	0.0575
Jul-26	2.0870	0.0172	0.0610
Aug-26	2.0894	0.0129	0.0563
Sep-26	2.0971	0.0128	0.0555
Oct-26	2.1045	0.0126	0.0552
Nov-26	2.1074	0.0123	0.0546

Sprague HeatCurve October 2025-April 2026

\$2.1112

	Close	Change
Crude - WTI	\$64.2200	\$0.5900
Crude - Brent	\$67.0400	\$0.5700
Natural Gas	\$3.6350	-\$0.1490
Gasoline	\$2.0952	\$0.0184

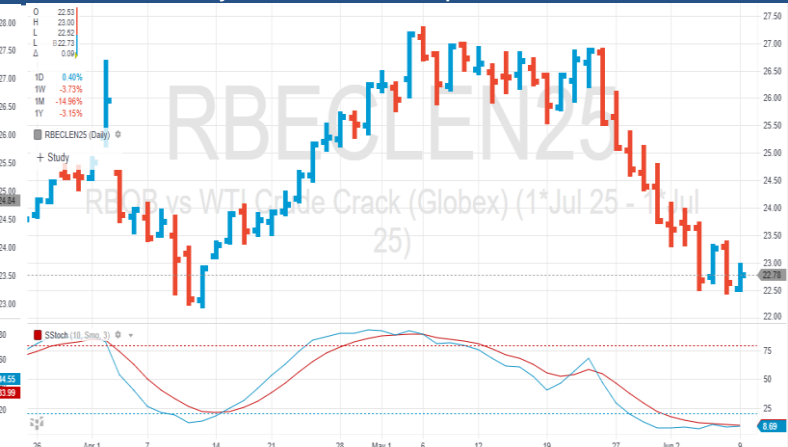
ICE August Brent-WTI Spread



July Heating Oil Crack Spread



July RBOB Crack Spread



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