

## Market Commentary

**Recap:** The oil market on Wednesday traded higher following a brief respite on Tuesday amid the progress made towards a trade agreement between the U.S. and China and pessimism over U.S.-Iran nuclear talks, with Iran threatening to strike U.S. bases in the Middle East if nuclear negotiations fail and conflict arises with the U.S. The market opened slightly higher and held support at its previous low of \$64.57 as it posted a low of \$64.60 in overnight trading before it began to move higher. The market retraced its previous losses as the market assessed the outcome of the U.S.-China trade talks that ended late Tuesday. The oil market was well supported by President Donald Trump's statement that a deal had been done with China. It was also supported by the EIA's weekly petroleum stocks report lent some further support, with a larger than expected draw in crude stocks of over 3.6 million barrels on the week. The crude market rallied to \$66.78, where it held some resistance. However, the market continued to extend its gains further to over \$3.30 as it posted a high of \$68.37 ahead of the close following reports that the U.S. embassy in Iraq was preparing for an ordered evacuation and the U.S. military was set to allow families of service members in Bahrain to temporarily depart the country amid heightened tensions in the region. The July WTI contract settled at \$68.15, up \$3.17 or 4.88%, the largest gain since October 3, 2024, while the August Brent contract settled at \$69.77, up \$2.90 or 4.34%. The product markets also settled sharply higher, with the heating oil market settling up 6.37 cents at \$2.2053 and the RB market settling up 7.88 cents at \$2.1668.

**Technical Analysis:** The crude market will remain supported by the news of the U.S.-China trade deal and concerns over heightened tensions in the Middle East ahead of the sixth round of nuclear talks between the U.S. and Iran on Sunday. The oil market will likely see some initial retracement of its sharp move higher, however any losses will be limited. The market is seen finding resistance at its high of \$68.37 followed by more distant resistance at \$69.42 and the \$70.00 level. Meanwhile, support is seen at its low of \$64.60, \$64.57, \$64.20, \$62.82, \$62.50 and \$62.20-\$62.17.

**Fundamental News:** S&P Global Commodities at Sea estimates that overall diesel and gasoil imports into Europe will reach 4.1 million mt in June, down 17% from May volumes, with the U.S. being the largest supplier of around 1.6 million mt in June.

U.S. President Donald Trump said he was less confident that Iran will agree to stop uranium enrichment in a nuclear deal with Washington.

An Iraqi security official and a U.S. source said the U.S. embassy in Iraq is preparing for an ordered evacuation due to heightened security risks in the region. Later, the Iraqi state news agency said, citing a government source, that Iraq has not recorded any security indication that calls for evacuation of U.S. personnel from the embassy in Baghdad. Separately, a U.S. official said the U.S. military is set to allow families of service members in Bahrain to temporarily depart the country because of heightened tensions in the region.

S&P Global Commodity Insights this week estimated OPEC+ crude oil production surged to 41.19 million b/d in May, up 180,000 b/d from April levels. Gains were made primarily in Saudi Arabia which increased production by 170,000 b/d with the UAE increasing production by 30,000 b/d.

IIR Energy reported that U.S. oil refiners are expected to shut in about 210,000 bpd of capacity in the week ending June 13<sup>th</sup>, increasing available refining capacity by 66,000 bpd.

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

WTI - Jul \$66.97, down \$1.33

RB0B - Jul \$2.1303, down 3.63 cents

HO - Jul \$2.1743, down 3.32 cents

## All NYMEX | Prior Settlements

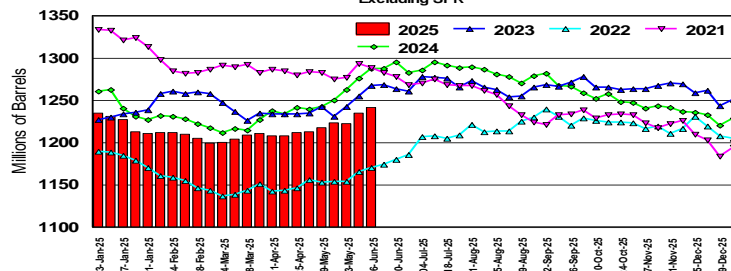
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.2053	0.0637	0.1352
Aug-25	2.1945	0.0674	0.1316
Sep-25	2.1956	0.0669	0.1286
Oct-25	2.1959	0.0649	0.1253
Nov-25	2.1903	0.0621	0.1211
Dec-25	2.1813	0.0589	0.1158
Jan-26	2.1805	0.0567	0.1121
Feb-26	2.1748	0.0549	0.1088
Mar-26	2.1615	0.0526	0.1045
Apr-26	2.1421	0.0504	0.1005
May-26	2.1314	0.0482	0.0969
Jun-26	2.1245	0.0461	0.0934
Jul-26	2.1284	0.0445	0.0913
Aug-26	2.1331	0.0425	0.0887
Sep-26	2.1389	0.0406	0.0860
Oct-26	2.1445	0.0390	0.0836
Nov-26	2.1465	0.0381	0.0816

### Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$66.9000	\$2.9900
Crude - Brent	\$69.7700	\$2.9000
Natural Gas	\$3.5070	-\$0.0260
Gasoline	\$2.1668	\$0.0788

### Total U.S. Oil Stocks

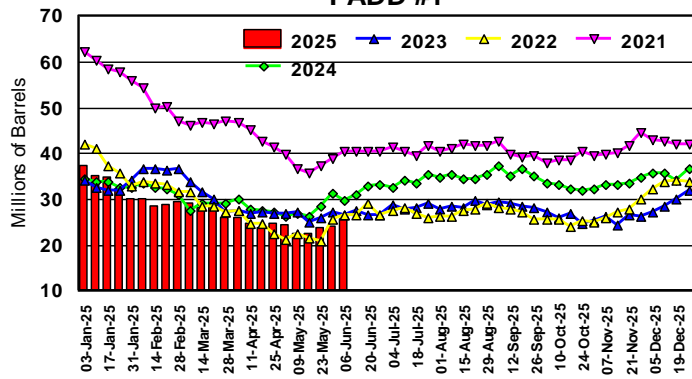
Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending June 6, 2025

### Distillate Stocks

#### PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.644 million barrels

Cushing, OK Crude Stocks Down 403,000 barrels

Gasoline Stocks Up 1.504 million barrels

Distillate Stocks Up 1.264 million barrels

Refinery % Operated 94.3%, up 0.9%

#### PADD #1

	Week Ending June 6, 2025	Week Ending May 30, 2024	Week Ending June 7, 2024
Distillate Stocks (in million bbl)			
New England	3.1	3.0	4.3
Central Atlantic	11.8	11.1	15.3
Total PADD #1	25.5	24.1	29.7
Distillate Imports (thousands b/d)	89	145	59