

Market Commentary

Recap: The oil market continued to trade mostly sideways on Monday as the concerns over the geopolitical tensions in the Middle East eased. Also, a possible OPEC+ output increase for August and uncertainty over the global demand outlook weighed on the market. The market has traded sideways within a trading range posted last week after worries about possible supply disruptions in the Middle East dissipated and expectations that OPEC+ members will once again consider another 411,000 bpd increase for August when they meet on Sunday. The market posted a low of \$64.50 in overnight trading before it posted a high of \$65.82 and settled in a sideways trading range during the remainder of the session. The August WTI contract settled down 41 cents at \$65.11 and the August Brent contract went off the board down 16 cents at \$67.61. The product markets ended in mixed territory, with the July heating oil contract expiring up 3.86 cents at \$2.3458 and the RB market expiring down 10 point at \$2.0798.

Technical Analysis: The oil market will remain in its recent consolidation pattern as it awaits for the OPEC+ decision on July 6th and any new economic growth concerns as the market focuses on trade talks, with just 10 days until President Donald Trump's country specific tariffs are set to resume. The market is seen finding support at \$64.50, \$64.00, \$63.77, \$63.54 - \$63.51 and \$63.40. Meanwhile, resistance is seen at \$65.82, \$66.09, \$66.42 and \$67.83.

Fundamental News: U.S. President Donald Trump said he was not speaking to Iran and was not offering the country "anything", and he reiterated his assertion that the United States had "totally obliterated" Tehran's nuclear facilities. On Friday, President Trump dismissed media reports that said his administration had discussed possibly helping Iran access as much as \$30 billion to build a civilian-energy-producing nuclear program.

According to a Reuters survey, analysts have marginally increased their oil price forecasts after the flare-up of tensions in the Middle East, but increasing OPEC+ supply and a tempered demand outlook continue to weigh on crude. A survey of 40 economists and analysts in June forecast Brent crude will average \$67.86/barrel in 2025, up from May's \$66.98/barrel forecast, while U.S. crude is seen at \$64.51/barrel, above last month's \$63.35/barrel estimate. Meanwhile, analysts expect global oil demand to grow by an average of over 730,000 bpd in 2025, compared with 775,000 bpd in last month's survey.

U.S. Treasury Secretary Scott Bessent warned that countries could still face sharply higher tariffs on July 9th even if they are negotiating in good faith, adding that any potential extensions will be up to President Donald Trump.

The EIA reported that U.S. crude oil output in April increased 18,000 bpd to 13.468 million bpd from a revised 13.45 million bpd level in March. U.S. crude oil exports fell to 3.883 million bpd in April, down from 4.043 million bpd in March and U.S. total refined oil product exports fell to 2.775 million bpd in April from 3.047 million bpd in March. The EIA also reported that total U.S. oil demand in April increased by 1% or 205,000 bpd on the year to 20.213 million bpd. U.S. distillate demand increased by 2.2% or 82,000 bpd on the year to 3.883 million bpd and U.S. gasoline demand increased by 0.9% or 79,000 bpd on the year to 8.91 million bpd.

IIR Energy reported that U.S. oil refiners are expected to shut in about 113,000 bpd of capacity in the week ending July 4th, increasing available refining capacity by 33,000 bpd. Offline capacity is expected to fall to 104,000 bpd in the week ending July 11th.

Early Market Call - as of 8:25 AM EDT

WTI - Aug \$65.70, up 73 cents
 RBOB - Jul \$2.0815, up 1.34 cents
 HO - Jul \$2.2872, up 1.46 cents

All NYMEX | Prior Settlements

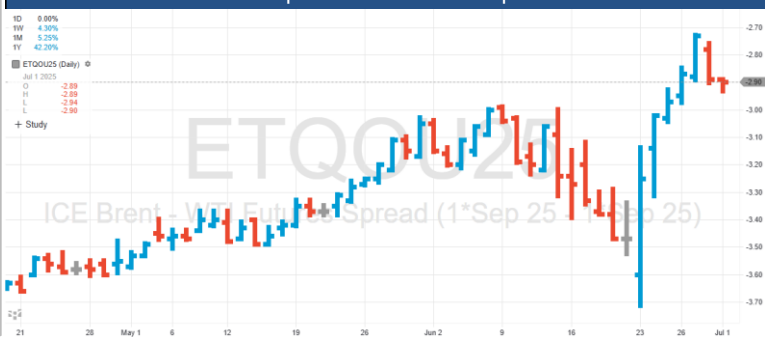
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-25	2.3458	0.0386	-0.0173
Aug-25	2.2763	0.0354	-0.0619
Sep-25	2.2518	0.0263	-0.0768
Oct-25	2.2390	0.0225	-0.0822
Nov-25	2.2196	0.0212	-0.0878
Dec-25	2.1944	0.0190	-0.0910
Jan-26	2.1880	0.0181	-0.0912
Feb-26	2.1811	0.0179	-0.0904
Mar-26	2.1635	0.0164	-0.0913
Apr-26	2.1370	0.0145	-0.0930
May-26	2.1195	0.0125	-0.0945
Jun-26	2.1081	0.0110	-0.0942
Jul-26	2.1114	0.0104	-0.0910
Aug-26	2.1165	0.0100	-0.0874
Sep-26	2.1236	0.0095	-0.0833
Oct-26	2.1302	0.0091	-0.0796
Nov-26	2.1335	0.0089	-0.0756

Sprague HeatCurve October 2025-April 2026

\$2.1869

	Close	Change
Crude - WTI	\$65.11	-\$0.4100
Crude - Brent	\$67.61	-\$0.1600
Natural Gas	\$3.4560	-\$0.2830
Gasoline	\$2.0798	-\$0.0010

ICE September Brent-WTI Spread



August Heating Oil Crack Spread

August RBOB Crack Spread

