



# MarketWatch | Refined Products

Wednesday, July 2, 2025

## Market Commentary

**Recap:** The oil market remained in its consolidation pattern on Tuesday amid the expectations that OPEC+ will announce an output hike for August at an upcoming meeting, while the market also awaits the outcome of negotiations between the U.S. and its trading partners. The market posted a low of \$64.67 in overnight trading before it erased its losses and traded to a high of \$65.98. The market's main focus is 411,000 bpd production increase that OPEC+ is expected to announce for August at its meeting on July 6th. Also, supporting the market was a weaker U.S. dollar, which fell to a 3-½ year low. The market was supported after Iran moved to cut off communication with the IAEA. The market, however, erased its gains once again and traded in sideways trading range during the remainder of the session. The August WTI contract settled up 34 cents at \$65.45 and the September Brent contract settled up 37 cents at \$67.11. The product markets ended the session in mixed territory, with the heating oil market settling down 1.89 cents at \$2.3269 and the RB market settling up 3.06 cents at \$2.1003.

**Technical Analysis:** The oil market will continue to trade within its recent trading range as it awaits for the OPEC+ decision on July 6th and any progress on trade talks between the U.S. and its trading partners ahead of July 9th, when the reciprocal tariffs are expected to take effect following the 90 day pause after President Trump on Tuesday said he was not thinking about extending the deadline. On Wednesday, the market will find some support from the EIA's weekly petroleum stocks reports, which are expected to show draws across the board, with a draw of 1.8 million barrels in crude stocks. The market is seen finding support at \$64.67, \$64.50, \$64.00, \$63.77, \$63.54-\$63.51 and \$63.40. Meanwhile, resistance is seen at \$65.98, \$66.09, \$66.42 and \$67.83.

**Fundamental News:** U.S. President Donald Trump said he plans to full up the U.S. SPR when the market conditions are right.

The Financial Times reported that top U.S. trade officials are now seeking narrower agreements with other countries to secure deals before President Donald Trump's July 9th tariff deadline. The FT said countries that agree on narrower deals would be spared the harsher reciprocal tariffs, but left with an existing 10% levy while talks on other issues continue. President Trump's reciprocal tariffs are set to kick in on July 9th, after a 90-day pause.

Morgan Stanley said Brent crude will likely retrace to around \$60/barrel by early next year, with the market being well supplied and geopolitical risk abating following the Israel-Iran de-escalation. The bank added that it sees strong supply growth from non-OPEC countries over 2025-26 in the order of 1 million bpd each year, which would be enough to meet demand growth in the period. It said OPEC continues to unwind its production quota cuts and still expect an oversupply of about 1.3 million bpd in 2026.

OPEC+ is expected to approve another output hike on Sunday in a move that would fast-track plans to unwind production cuts a full year ahead of the original schedule. Key members of the alliance have already agreed to a 411,000 bpd increase, three times the initially planned volume, for May, June and July. Another increase in August would mark the fourth consecutive month of large increases, leaving the market well-supplied through year-end. If approved, the hike would push total supply increases since April to nearly 1.8 million barrels a day. The key eight OPEC+ members meeting virtually on Sunday are Saudi Arabia, Russia, Iraq, the U.A.E., Kuwait, Kazakhstan, Algeria, and Oman. Saudi Arabia will take the majority share of the increases.

Kpler data showed that Saudi Arabia increased its crude exports in June by 450,000 bpd from May's level to its highest level in more than a year. Saudi crude exports increased to 6.33 million bpd in June from 5.88 million bpd in May.

U.S. Federal Reserve Chair Jerome Powell reiterated the U.S. central bank plans to "wait and learn more" about the impact of tariffs on inflation before lowering interest rates.

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

WTI - Aug \$66.20, up 67 cents

RBOB - Aug \$2.1110, up 1.27 cents

HO - Aug \$2.3514, up 1.51 cents

## All NYMEX | Prior Settlements

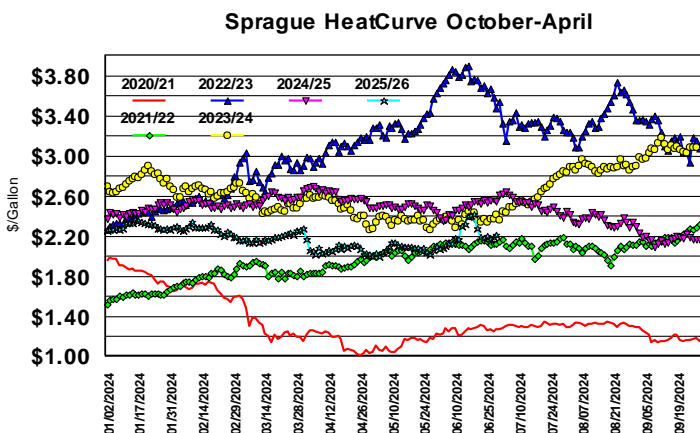
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-25	\$2.3269	\$0.0506	\$0.0773
Sep-25	\$2.2901	\$0.0383	\$0.0554
Oct-25	\$2.2712	\$0.0322	\$0.0461
Nov-25	\$2.2476	\$0.0280	\$0.0368
Dec-25	\$2.2201	\$0.0257	\$0.0279
Jan-26	\$2.2092	\$0.0212	\$0.0215
Feb-26	\$2.1994	\$0.0183	\$0.0180
Mar-26	\$2.1795	\$0.0160	\$0.0132
Apr-26	\$2.1517	\$0.0147	\$0.0089
May-26	\$2.1335	\$0.0140	\$0.0043
Jun-26	\$2.1225	\$0.0144	\$0.0011
Jul-26	\$2.1254	\$0.0140	\$0.0007
Aug-26	\$2.1304	\$0.0139	\$0.0016
Sep-26	\$2.1372	\$0.0136	\$0.0030
Oct-26	\$2.1434	\$0.0132	\$0.0039
Nov-26	\$2.1462	\$0.0127	\$0.0042
Dec-26	\$2.1455	\$0.0116	\$0.0037

Sprague HeatCurve October 2025-April 2026			\$2.2085
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$2.96	\$64.1500	\$0.3400
Crude - Brent		\$67.1100	\$0.3700
Natural Gas		\$3.4150	-\$0.0410
Gasoline		\$2.1003	\$0.0306

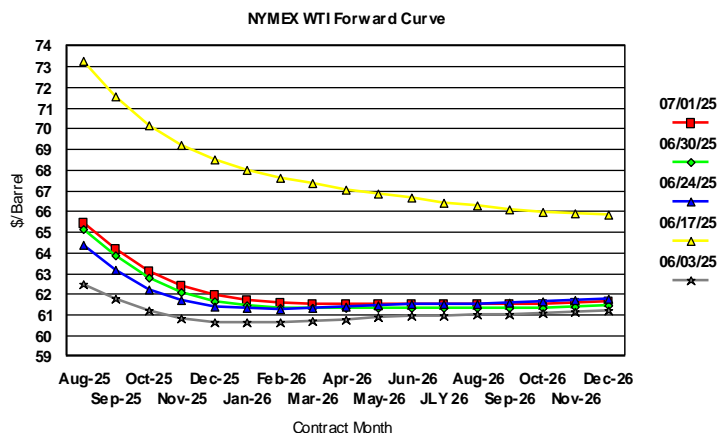
## API Report for the Week Ending June 27, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 680,000 barrels	Down 1.8 million barrels
Gasoline Stocks	Up 1.9 million barrels	Down 200,000 barrels
Distillate Stocks	Down 3.5 million barrels	Down 1 million barrels
Refinery Runs		Up 0.4% at 94.7%

## Sprague HeatCurve October-April



## WTI Forward Curve



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