

## Market Commentary

**Recap:** The oil market on Thursday, ahead of the long 4<sup>th</sup> of July holiday weekend, posted an inside trading day. The market traded to its previous high of \$67.58 early in the session and was met with resistance as the possibility of U.S. tariffs being reinstated raised demand concerns ahead of an expected increase in supply by OPEC+ producers. While a trade deal announcement by the U.S. with Vietnam provided some support to the market, uncertainty looms, with the 90-day pause on the implementation of higher U.S. tariffs ending on July 9<sup>th</sup>. Several large trading partners have yet to agree on their trade deals. The crude market erased some of its gains and sold off to a low of \$66.53 by mid-morning. The market retraced some of its losses and settled in a sideways trading range during the remainder of the session, with light volume trading ahead of the holiday weekend. The August WTI contract ended the session down 45 cents at \$67.00, while the September Brent contract settled down 31 cents at \$68.80. The product markets ended the session lower, with the heating oil market settling down 4.19 cents at \$2.3698 and the RB market settling down 43 points at \$2.1186.

**Technical Analysis:** The crude market is seen remaining within its recent trading range. The market is not seen trending sharply lower if OPEC+ does decide on another 411,000 bpd output increase for August at the OPEC meeting on Sunday, as the increase has already been priced into the market. The market will also look to any updates regarding the trade talks ahead of the July 9<sup>th</sup> deadline when the reciprocal tariffs are expected to take effect again following the 90 day pause. The oil market is seen finding resistance at its high of \$67.58, \$67.83, \$69.50, \$71.20 and \$72.90. Meanwhile, support is seen at \$66.53, \$65.23, \$64.67, \$64.50, \$64.40 and \$64.00.

**Fundamental News:** The Treasury Department said the U.S. imposed sanctions on Thursday against a network that smuggles Iranian oil disguised as Iraqi oil and on a Hezbollah-controlled financial institution. A network of companies run by Iraqi-British national Salim Ahmed Said has been buying and shipping billions of dollars' worth of Iranian oil disguised as or blended with Iraqi oil since at least 2020. The Treasury Department said Said's companies and vessels blend Iranian oil with Iraqi oil, which is then sold to Western buyers via Iraq or the United Arab Emirates as purely Iraqi oil using forged documentation to avoid sanctions. The U.S. also sanctioned several vessels that are accused of engaging in the covert delivery of Iranian oil, intensifying pressure on Iran's "shadow fleet". The Treasury Department also issued sanctions against several senior officials and one entity associated with the Hezbollah-controlled financial institution Al-Qard Al-Hassan.

Iranian Foreign Minister, Abbas Araqchi, said Iran remains committed to the nuclear Non-Proliferation Treaty and its safeguards agreement. He said "Our cooperation with the IAEA will be channeled through Iran's Supreme National Security Council for obvious safety and security reasons."

Russian President Vladimir Putin told U.S. President Donald Trump in a phone call on Thursday that Russia wants a negotiated end to the Ukraine war but will not step back from its original goals.

Baker Hughes said U.S. energy firms this week cut the number of oil and natural gas rigs operating for a 10<sup>th</sup> consecutive week for the first time since July 2020. The oil and gas rig count fell by eight to 539 in the week ending July 3<sup>rd</sup>, the lowest since October 2021. Oil rigs fell by seven to 425 this week, their lowest since September 2021, while gas rigs fell by one to 108.

German Chancellor Friedrich Merz urged the European Union on Thursday to settle a tariff dispute with the United States as quickly as possible to protect core industries such as cars, steel and pharmaceuticals.

### Early Market Call - as of 8:05 AM EDT

WTI - Aug \$67.27, up 9 cents

RB0B - Aug \$2.1350, up 1.63 cents

HO - Aug \$2.4045, up 3.69 cents

## All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	2.3698	-0.0419	0.0800
Sep-25	2.3313	-0.0296	0.0649
Oct-25	2.3116	-0.0248	0.0588
Nov-25	2.2847	-0.0227	0.0526
Dec-25	2.2513	-0.0224	0.0443
Jan-26	2.2380	-0.0216	0.0377
Feb-26	2.2254	-0.0216	0.0334
Mar-26	2.2017	-0.0221	0.0273
Apr-26	2.1699	-0.0216	0.0224
May-26	2.1499	-0.0195	0.0201
Jun-26	2.1378	-0.0172	0.0195
Jul-26	2.1396	-0.0165	0.0190
Aug-26	2.1438	-0.0158	0.0193
Sep-26	2.1496	-0.0154	0.0196
Oct-26	2.1559	-0.0144	0.0197
Nov-26	2.1592	-0.0131	0.0194
Dec-26	2.1588	-0.0128	0.0183

## Sprague HeatCurve October 2025-April 2026

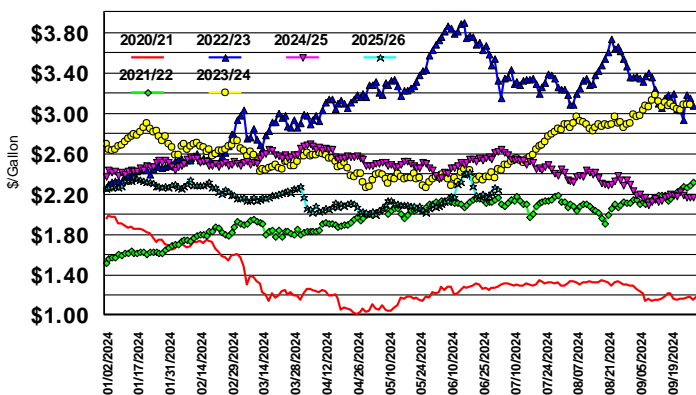
		Close	Change
Crude - WTI	Sep Brent-	\$65.6200	-\$0.3900
Crude - Brent	WTI Spread	\$68.8000	-\$0.3100
Natural Gas	\$3.18	\$3.4090	-\$0.0790
Gasoline		\$2.1186	-\$0.0043

## EIA Working Gas Storage Report

	27-Jun-25	20-Jun-25	Change	27-Jun-24
East	602	589	13	658
Midwest	688	665	23	776
Mountain	228	223	5	239
Pacific	287	281	6	282
South Central	1148	1140	8	1,175
Salt	342	352	-10	327
Nonsalt	806	788	18	848
Total	2953	2898	55	3,129

## Sprague HeatCurve October-April

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## August WTI



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