



MarketWatch | Refined Products

Wednesday, July 9, 2025

Market Commentary

Recap: The crude market traded higher as the market assessed the latest developments regarding U.S. tariffs against the concerns over Houthi attacks on vessels off Yemen and lower U.S. oil output forecast. The market traded to a low of \$67.33 in overnight trading amid the news that U.S. President Donald Trump announced that higher U.S. tariffs will take effect on August 1st. The tariff news has once again raised uncertainty in the markets and concerns that they could have a negative impact on the global economy and oil demand. While the market was also weighed by OPEC+ unwinding of its output cuts, Houthi attacks on cargo ships provided support to the market, with Israel striking Houthi targets in response on Monday for the first time in nearly a month. The oil market bounced off its low and rallied to a high of \$68.91 in afternoon trading. The market was further supported by EIA's Short Term Energy Outlook forecasting that the U.S. will produce less oil in 2025 than previously expected as declining oil prices have prompted U.S. producers to slow activity this year. The crude market later erased some of its gains ahead of the close. The August WTI contract settled up 40 cents at \$68.33 and the September Brent contract settled up 57 cents at \$70.15. The product markets ended the session higher, with the heating oil market settling up 2.02 cents at \$2.4413 and the RB market settling up 3.28 cents at \$2.1850.

Technical Analysis: The crude market will likely remain supported by the situation in the Middle East, amid the renewed strikes by Houthis on cargo ships and Israel's strikes against Houthi targets. The market will also seek further direction from the weekly petroleum stocks reports, which are expected to show draws in crude stocks of over 2 million barrels. The market is seen finding resistance at its high of \$68.91, \$69.50, \$71.20 and \$72.90. Meanwhile, support is seen at \$67.33, \$65.40, \$65.23, \$64.90, \$64.67, \$64.55 and \$64.00.

Fundamental News: U.S. President Donald Trump notified 14 nations, from major suppliers such as Japan and South Korea to minor trade players, that they now face sharply higher tariffs from a new deadline of August 1st. In letters so far to 14 countries, President Trump hinted at opportunities for additional negotiations, even while warning that reprisals would draw a like-for-like response. The higher tariffs take effect from August 1st and will not combine with previously announced sectoral tariffs, such as those on automobiles and steel and aluminum. On Tuesday, China warned the United States against reinstating tariffs on its goods, and said it could retaliate against countries striking deals with the U.S. to cut China out of supply chains. A European Commission spokesperson said the European Union still aims to reach a trade deal by Wednesday after European Commission President Ursula von der Leyen and President Trump had a "good exchange". Later on Tuesday, President Trump said he is probably two days off from sending the European Union a letter disclosing the tariff rate on their exports to the United States.

Kpler data showed that EU and UK diesel and gasoil imports are on track to reach 727,000 bpd in July, down from 936,000 bpd in June.

The EIA reported that the U.S. will produce less oil in 2025 than previously expected as declining oil prices have prompted U.S. producers to slow activity this year. The U.S. is projected to produce 13.37 million bpd of oil in 2025, versus last month's forecast of 13.42 million bpd. In 2026, the U.S. will produce 13.37 million bpd, in line with the previous forecast. Meanwhile, U.S. oil demand is estimated at 20.4 million bpd in both 2025 and 2026, unchanged from previous estimates. The EIA also reported that it sees world oil output of 104.6 million bpd in 2025, up 200,000 bpd from a previous forecast, while output in 2026 is seen at 105.7 million bpd, up 600,000 bpd from a previous estimate. World oil demand in 2025 is seen at 103.5 million bpd, unchanged from a previous forecast, before it increases to 104.6 million bpd, unchanged from a previous forecast.

Early Market Call - as of 9:50 AM EDT

WTI - Aug \$67.89, down 29 cents

RBOB - Aug \$2.1785, down 74 points

HO - Aug \$2.4018, down 3.45 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	\$2.4413	\$0.0202	\$0.1144
Sep-25	\$2.3939	\$0.0219	\$0.1038
Oct-25	\$2.3687	\$0.0219	\$0.0975
Nov-25	\$2.3390	\$0.0237	\$0.0914
Dec-25	\$2.3034	\$0.0255	\$0.0833
Jan-26	\$2.2870	\$0.0243	\$0.0778
Feb-26	\$2.2726	\$0.0243	\$0.0732
Mar-26	\$2.2467	\$0.0245	\$0.0672
Apr-26	\$2.2121	\$0.0238	\$0.0604
May-26	\$2.1887	\$0.0226	\$0.0552
Jun-26	\$2.1736	\$0.0211	\$0.0511
Jul-26	\$2.1743	\$0.0203	\$0.0489
Aug-26	\$2.1774	\$0.0194	\$0.0470
Sep-26	\$2.1820	\$0.0186	\$0.0448
Oct-26	\$2.1860	\$0.0165	\$0.0426
Nov-26	\$2.1868	\$0.0147	\$0.0406
Dec-26	\$2.1838	\$0.0125	\$0.0383

Sprague HeatCurve October 2025-April 2026

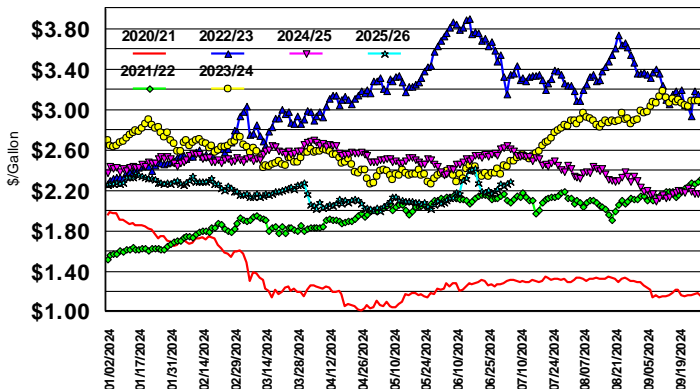
	Close	Change
Crude - WTI	\$66.9800	\$0.4900
Crude - Brent	\$70.1500	\$0.5700
Natural Gas	\$3.3400	-\$0.0720
Gasoline	\$2.1850	\$0.0328

API Report for the Week Ending July 4, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 7.13 million barrels	Down 2.1 million barrels
Gasoline Stocks	Down 2.18 million barrels	Down 1.4 million barrels
Distillate Stocks	Down 830,000 barrels	Up 1.4 million barrels
Refinery Runs		Down 0.5% at 94.4%

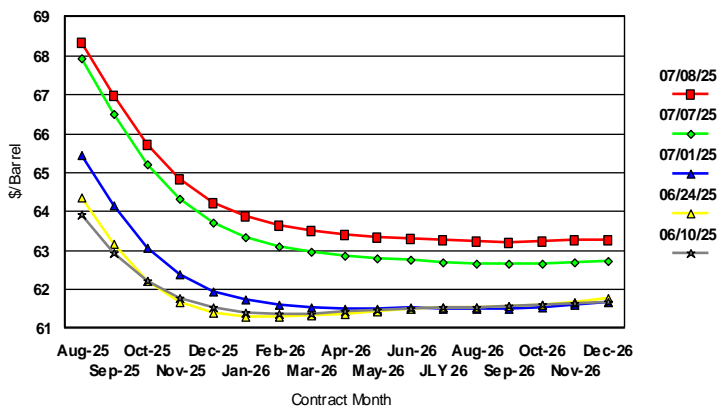
Sprague HeatCurve October-April

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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