MarketWatch | Refined Products

Thursday, July 10, 2025

Market Commentary

Recap: The crude market on Wednesday ended the session up 0.07% as it weighed the attacks on shipping vessels in the Red Sea, forecasts of lower U.S. oil output and increased gasoline demand against the unexpected build in crude stocks. The market traded mostly sideways in overnight trading before it extended its previous gains and posted a high of $68.94 following the news of a second cargo ship sinking in the Red Sea due to an attack by Houthi militants that killed at least four crew members. The market also remained well supported by the EIA forecast that the U.S. will produce less oil in 2025 than previously expected, as declining oil prices have prompted U.S. oil producers to slow their activity. The market later erased its gains and traded to a low of $67.70 ahead of the release of the EIA's weekly petroleum stocks report. The oil market later bounced off its lows and traded back towards its high as the market focused on a larger than expected draw in gasoline stocks of over 2.6 million barrels and shrugged off an unexpected build in crude stocks of over 7 million barrels. The August WTI contract settled up 5 cents at $68.38 and the September Brent contract settled up 4 cents at $70.19. The product markets ended the session in mixed territory, with the heating oil market settling down 3.21 cents at $2.4092 and the RB market settling up 29 points at $2.1879.

Technical Analysis: The oil market will remain supported by the renewed strikes by Houthi militants on cargo ships in the Red Sea, further sanctions imposed against Iran's oil industry and the inventory report showing increased gasoline demand. However, its gains will be limited, with the market trending sideways, as the market focuses on the unexpected build in crude oil inventories. The market is seen finding resistance at its high of $68.94, $69.50, $71.20 and $72.90. Meanwhile, support is seen at $67.70, $67.33, $65.40, $65.23, $65.00, $64.67, $64.55 and $64.00.

Fundamental News: The U.S. Treasury Department said the U.S. imposed sanctions on 22 companies in Hong Kong, the United Arab Emirates and Turkey on Wednesday for their roles in helping sell Iranian oil. It said the oil sales benefit Iran's Islamic Revolutionary Guard Corps' Quds Force. The Treasury Department said the Quds Force employs front companies outside of Iran that use offshore accounts to transfer hundreds of millions of dollars in profits derived from Iranian oil sales to circumvent U.S. sanctions.

On Wednesday, U.S. President Donald Trump issued a round of tariff letters to six countries, including Algeria, Brunei, Iraq, Libya, Moldova and the Philippines.

United Arab Emirates' Energy Minister, Suhail al-Mazrouei, said oil markets are absorbing OPEC+ production increases without building inventories.

IIR Energy said U.S. oil refiners are expected to shut in about 113,000 bpd of capacity in the week ending July 11th, increasing available refining capacity by 56,000 bpd. Offline capacity is expected to increase to 171,000 bpd in the week ending July 18th.

The recovery in global jet fuel demand is set to slow and stall below pre-pandemic levels this year and next as the Chinese travel abroad less, stringent U.S. immigration policies deter some tourists and aircraft fleets become more fuel-efficient. Jet fuel accounts for around 7% of global fuel use and softer consumption leads to lower overall demand for oil and ultimately weaker oil prices. Aviation fuel consumption has lagged the recovery seen in fuel oil and gasoline since the pandemic, held back largely by a decline in long-haul flights from Asia, particularly China, with tight consumer spending cutting travel budgets. In June, the International Energy Agency forecast that jet fuel consumption would reach 8 million bpd in 2027, above 2019's level of 7.9 million bpd, having earlier predicted it would recover to the pre-pandemic rate last year. Demand grew by 5.6% last year, but the IEA expects a slowdown to 1.32% in 2025 and 1.29% next year.

Early Market Call - as of 10:25 AM EDT

WTI - Aug $67.17, down $1.12

RBOB - Aug $2.1571, down 3.47 cents

HO - Aug $2.4022, down 75 points

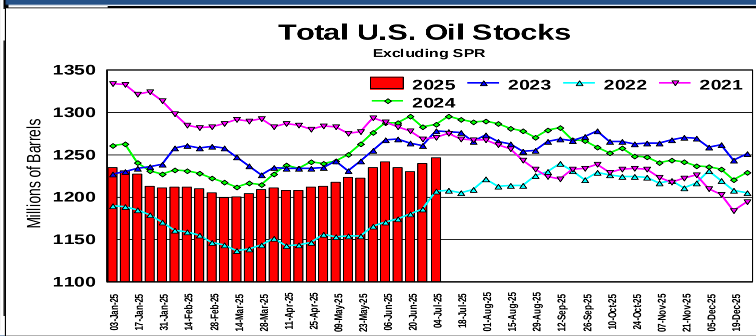
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-25	2.4092	-0.0321	-0.0025
Sep-25	2.3698	-0.0241	0.0089
Oct-25	2.3476	-0.0211	0.0112
Nov-25	2.3191	-0.0199	0.0117
Dec-25	2.2842	-0.0192	0.0105
Jan-26	2.2697	-0.0173	0.0101
Feb-26	2.2567	-0.0159	0.0097
Mar-26	2.2230	-0.0237	-0.0008
Apr-26	2.1996	-0.0125	0.0081
May-26	2.1773	-0.0114	0.0079
Jun-26	2.1626	-0.0110	0.0076
Jul-26	2.1636	-0.0107	0.0075
Aug-26	2.1667	-0.0107	0.0071
Sep-26	2.1713	-0.0107	0.0063
Oct-26	2.1756	-0.0104	0.0053
Nov-26	2.1768	-0.0100	0.0045
Dec-26	2.1740	-0.0098	0.0024

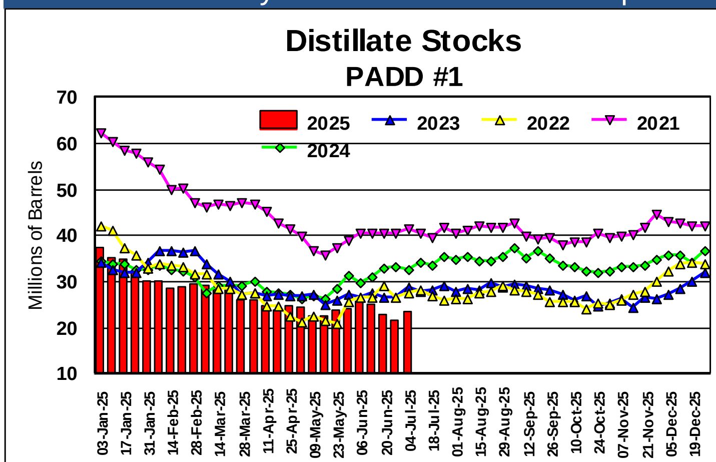
Sprague HeatCurve October 2025-April 2026	$2.2678

	Close	Change
Crude - WTI	$66.9700	-$0.0100
Crude - Brent	$70.1900	$0.0400
Natural Gas	$3.2140	-$0.1260
Gasoline	$2.1879	$0.0029

Sep Brent-WTI Spread $3.22



Weekly EIA Petroleum Status Report for the Week Ending July 4, 2025



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 7.07 million barrels

Cushing, OK Crude Stocks Up 464,000 barrels

Gasoline Stocks Down 2.658 million barrels

Distillate Stocks Down 825,000 barrels

Refinery % Operated 94.7%, down 0.2%

PADD #1

Distillate Stocks (in million bbl)	Week Ending July 4, 2025	Week Ending Jun 27, 2025	Week Ending July 5, 2024
New England	3.2	3.1	4.1
Central Atlantic	10.3	10.0	16.4
Total PADD #1	23.3	21.5	32.5
Distillate Imports (thousands b/d)	24	99	84