



MarketWatch | Refined Products

Friday, July 11, 2025

Market Commentary

Recap: On Thursday, the oil market traded lower as market sentiment was weighed by the potential impact of U.S. President Donald Trump's tariffs on economic growth. While the market is in a mostly wait and see mode given the Trump administration's history of back-pedaling on tariffs, the market remains worried about the inflationary pressures from the tariffs. The crude market traded sideways and posted a high of \$68.65 early in the morning before it sold off sharply during the remainder of the session. The market retraced 50% of its move from a low of \$64.00 to Wednesday's high of \$68.94, as it posted a low of \$66.45 ahead of the close. The market was pressured by a Bloomberg report that OPEC+ delegates are discussing a pause in output increases in October. The August WTI contract settled down \$1.81 at \$66.57 and the September Brent contract settled down \$1.55 at \$68.64. The product markets also ended the session lower, with the heating oil market settling down 1.49 cents at \$2.3941 and the RB market settling down 3.54 cents at \$2.1564.

Technical Analysis: The crude market will remain in its sideways trading range as the market weighs the impact of the Trump administration's tariffs on the global economy and the OPEC+ discussion of pausing output increases in October against the sanctions imposed on Iran and the tension in the Middle East amid the strikes by Houthi militants on cargo ships in the Red Sea. There is also the possibility of the Trump administration imposing sanctions against Russia as President Trump is increasingly frustrated by the lack of progress in peace talks between Ukraine and Russia. The market is seen finding support at \$66.45, \$65.20, \$65.00, \$64.67, \$64.55 and \$64.00. Meanwhile, resistance is seen at \$68.65, \$68.94, \$69.50, \$71.20 and \$72.90.

Fundamental News: According to delegates, OPEC+ is discussing a pause in further production increases from October after its next monthly increase. Saudi Arabia and its partners already have a tentative plan to complete the revival of a 2.2 million bpd supply revival in September, with a final monthly tranche of 550,000 bpd. Delegates said that while talks are preliminary and no decisions have been taken, they will likely wait some time before moving onto reversing another layer of halted production, amounting to 1.66 million bpd.

OPEC cut its global oil demand forecasts for the next four years as Chinese growth slows, even as it lifted its longer-term view, based on increasing consumption in the developing world, and said there was no sign oil use had reached its peak. OPEC said in its 2025 World Oil Outlook that world demand will average 105 million bpd this year. It expects demand to increase to an average 106.3 million bpd in 2026 and then increase to 111.6 million bpd in 2029. The forecasts for demand in 2026 through 2029 are all lower than last year. Demand will average 106.3 million bpd in 2026, down from 108 million bpd seen last year. The 2029 forecast is down 700,000 bpd from last year's figure.

Bank of America maintained its Brent oil price forecast at near \$64/barrel for the second half of 2025, assuming China's demand will not offset the full surplus in the market.

BNF forecasts that global passenger jet fuel demand for July 8th-14th will increase 1.8% on the week to about 7.4 million bpd. This reflects growth of 4.5% on the year, based on schedules and implied demand derived from Bloomberg Terminal data. Asia will lead the regional gains with about 73,000 bpd.

Early Market Call - as of 7:55 AM EDT

WTI - Aug \$67.38, up 51 cents

RB0B - Aug \$2.1591, up 12 points

HO - Aug \$2.4164, up 2.25 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	2.3835	-0.0257	0.0137
Sep-25	2.3412	-0.0286	0.0099
Oct-25	2.3175	-0.0301	0.0059
Nov-25	2.2890	-0.0301	0.0043
Dec-25	2.2549	-0.0293	0.0036
Jan-26	2.2427	-0.0270	0.0047
Feb-26	2.2317	-0.0250	0.0063
Mar-26	2.2087	-0.0236	0.0070
Apr-26	2.1779	-0.0217	0.0080
May-26	2.1572	-0.0201	0.0073
Jun-26	2.1435	-0.0191	0.0057
Jul-26	2.1450	-0.0186	0.0054
Aug-26	2.1485	-0.0182	0.0047
Sep-26	2.1535	-0.0178	0.0039
Oct-26	2.1581	-0.0175	0.0022
Nov-26	2.1593	-0.0175	0.0001
Dec-26	2.1567	-0.0173	-0.0021

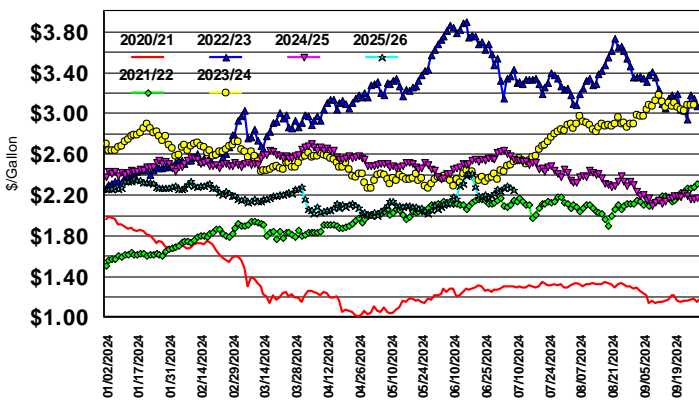
Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$65.3800	-\$1.5900
Crude - Brent	\$68.6400	-\$1.5500
Natural Gas	\$3.3370	\$0.1230
Gasoline	\$2.1524	-\$0.0355

EIA Working Gas Storage Report

	04-Jul-25	27-Jun-25	Change	04-Jul-24
East	616	602	14	679
Midwest	710	688	22	797
Mountain	231	228	3	244
Pacific	291	287	4	288
South Central	1158	1148	10	1,182
Salt	339	342	-3	32
Nonsalt	819	806	13	855
Total	3006	2953	53	3,190

Sprague HeatCurve October-April



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