



MarketWatch | Refined Products

Thursday, July 17, 2025

Market Commentary

Recap: The crude market ended the session lower as the weekly petroleum stocks report reinforced concerns over demand. In overnight trading, the oil market traded higher on an improved demand outlook from China. Traders and analysts said Chinese state-owned refiners are increasing their production after completing maintenance to meet higher third quarter fuel demand and rebuild diesel and gasoline stocks. Barclays estimated that China's oil demand in the first half of the year increased by 400,000 bpd on the year to 17.2 million bpd. The oil market traded to a high of \$67.01 in overnight trading before it gave up its gains ahead of the release of the EIA report. It sold off to a low of \$65.42 in light of the EIA report showing an unexpected build in gasoline stocks of over 3.3 million barrels, with demand easing to 8.5 million bpd, and a larger than expected build in distillates stocks of 4 million barrels on the week. However, the oil market retraced most of its losses during the remainder of the session. The August WTI contract settled down 14 cents at \$66.38 and the September Brent contract settled down 19 cents at \$68.52. The product markets ended the session lower, with the heating oil market settling down 1.37 cents at \$2.3915 and the RB market settling down 2.56 cents at \$2.1440.

Technical Analysis: The oil market will be driven by the U.S. fuel inventory builds and concerns about the wider economic impact from U.S. tariffs. The Federal Reserve on Wednesday afternoon said the economic outlook was neutral to slightly pessimistic, as businesses reported that the Trump administration's higher tariffs were putting upward pressure on prices. The market will retest its support line at \$66.20 as its daily stochastics crossed to the downside. Further support is seen at \$65.42, \$65.23, \$64.67, \$64.50 and \$64.00. Meanwhile, resistance is seen at \$67.01, \$67.13, \$67.53, \$67.94, \$68.34, \$69.65 followed by \$71.20 and \$72.90.

Fundamental News: U.S. President Donald Trump said Iran wants to negotiate with the United States, but he is in no rush to talk.

Several oilfields in Iraq's Kurdistan semi-autonomous region halted about 140,000 to 150,000 bpd of production as fields infrastructure was significantly damaged following a third day of drone attacks on Wednesday. It was not certain who had carried out the attacks and no group has claimed responsibility for them.

IIR Energy said U.S. oil refiners are expected to shut in about 245,000 bpd of capacity in the week ending July 18th, cutting available refining capacity by 50,000 bpd. Offline capacity is expected to fall to 171,000 bpd in the week ending July 25th.

Data from the EPA showed that the U.S. generated more renewable blending credits in June than May. It reported that about 1.25 billion ethanol (D6) blending credits were generated in June, compared with about 1.22 billion in May. It also reported that credits generated from biodiesel (D4) blending increased to 629 million in June from 602 million May.

U.S. President Donald Trump said Wednesday he is not planning to fire Federal Reserve Chair Jerome Powell, after a Bloomberg report that the president is likely to do so soon sparked a decline in stocks and the dollar and a rise in Treasury yields.

Bloomberg reported that Saudi Arabia said it produced 9.752 million bpd of crude oil in June, 385,000 bpd more than permitted under its OPEC+ agreement. Saudi Arabia called the increase a temporary response to the brief war between Israel and Iran that worried markets and increased fears that tanker traffic through the Strait of Hormuz would be disrupted. The excess crude was moved into storage outside the region to guarantee uninterrupted supplies in case hostilities escalated.

Early Market Call - as of 8:25 AM EDT

WTI - Aug \$67.06, up 42 cents

RB0B - Aug \$2.1575, up 55 points

HO - Aug \$2.4117, up 1.72 cents

All NYMEX | Prior Settlements

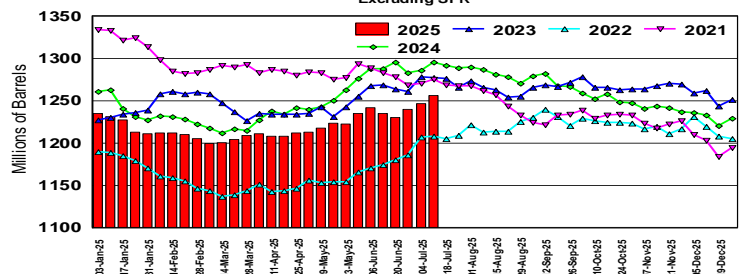
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-25	2.3915	-0.0137	-0.0177
Sep-25	2.3672	-0.0113	-0.0026
Oct-25	2.3443	-0.0085	-0.0033
Nov-25	2.3122	-0.0069	-0.0069
Dec-25	2.2722	-0.0067	-0.0120
Jan-26	2.2583	-0.0068	-0.0114
Feb-26	2.2460	-0.0067	-0.0107
Mar-26	2.2210	-0.0072	-0.0113
Apr-26	2.1887	-0.0071	-0.0109
May-26	2.1682	-0.0065	-0.0091
Jun-26	2.1561	-0.0054	-0.0065
Jul-26	2.1576	-0.0047	-0.0060
Aug-26	2.1612	-0.0039	-0.0055
Sep-26	2.1664	-0.0032	-0.0049
Oct-26	2.1713	-0.0029	-0.0043
Nov-26	2.1725	-0.0029	-0.0043
Dec-26	2.1709	-0.0033	-0.0031

Sprague HeatCurve October 2025-April 2026 \$2.2590

	Close	Change
Crude - WTI	\$65.1900	-\$0.1800
Crude - Brent	\$68.5200	-\$0.1900
Natural Gas	\$3.5510	\$0.0280
Gasoline	\$2.1440	\$0.0256

Total U.S. Oil Stocks

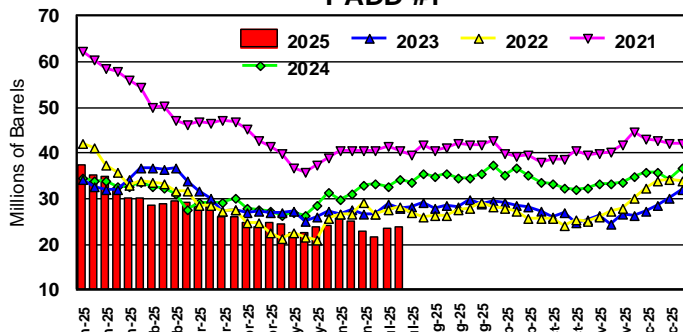
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending July 11, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.859 million barrels

Cushing, OK Crude Stocks Up 213,000 barrels

Gasoline Stocks Up 3.399 million barrels

Distillate Stocks Up 4.173 million barrels

Refinery % Operated 93.9%, down 0.8%

PADD #1

	Week Ending (in million bbl) July 11, 2025	Week Ending Jul 4, 2025	Week Ending July 12, 2024
Distillate Stocks	3.3	3.2	4.6
New England	10.6	10.3	17.3
Central Atlantic	23.6	23.3	34.1
Total PADD #1			
Distillate Imports (thousands b/d)	133	24	96

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