

Market Commentary

Recap: The oil market traded lower for the fourth consecutive session on Wednesday as traders assessed the U.S. tariff deal with Japan ahead of trade talks between the U.S. and the European Union. Late Tuesday, U.S. President Donald Trump announced that the U.S. and Japan had struck a trade deal that lowers tariffs on auto imports and spares Japan from new levies on other goods in exchange for a \$550 billion package of U.S.-bound investment and loans. The crude market posted a high of \$65.78 in overnight trading before it began to sell off after it failed to test its previous high of \$65.86. The market sold off to a low of \$64.71 following the release of the EIA's weekly petroleum stocks reports. However, the market later retraced some of its losses in light of the larger than expected draw reported in crude stocks of over 3 million barrels. The September WTI contract later settled down just 6 cents at \$65.25 and the September Brent contract settled down 8 cents at \$68.51. The product markets ended the session in mixed territory, with the heating oil market settling down 28 points at 2.4490 and the RB market settling up 1.94 cents at \$2.1213 in light of a draw in gasoline stocks of over 1.7 million barrels on the week.

Technical Analysis: The crude market on Thursday will weigh the inventory report against the headlines regarding the U.S. tariff policy announcements, with U.S. and European Union officials scheduled to meet on Wednesday afternoon. The market will also look for further developments on the possibility of the U.S. imposing sanctions on Russian oil following recent comments by the U.S. Energy Secretary. The crude market is seen finding support at \$65.78, \$64.38, \$64.10, \$63.93, \$63.42, \$63.11 and \$62.84. Meanwhile, resistance is seen at \$65.78, \$65.86, \$66.44, \$67.54 and \$68.16.

Fundamental News: U.S. Energy Secretary Chris Wright said that sanctioning Russian oil to end the war in Ukraine is a "very real possibility." On July 14th, U.S. President Donald Trump said that Washington could put 100% tariffs on buyers of Russian oil and impose other sanctions if Russia does not agree to a major peace agreement with Ukraine, a deadline that ends in early September.

IIR Energy said U.S. oil refiners are expected to shut in about 171,000 bpd of capacity in the week ending July 25th, increasing available refining capacity by 74,000 bpd.

Marathon restarted a 60,000 bpd diesel-producing ultracracker and a 140,000 bpd gasoline-producing fluidic catalytic cracking unit-3 at its 631,000 bpd Galveston Bay refinery in Texas City, Texas. The ultracracker was shut down by a compressor failure on July 9th and underwent repairs until late last week, while the catcracker unit tripped over the weekend and was restarted by Monday. Meanwhile, the refinery's 64,000 bpd residual hydrotreater is completely shut down following a June 14th fire and the date for restarting the unit has not been set.

Chevron said zinc levels in U.S. offshore crude Mars' production stream are now within expected levels after some contamination was identified in recent weeks. The start-up of an offshore well increased the levels of zinc in Mars crude earlier this month, leading to tightening crude supplies in the key Gulf Coast refining hub and prompting the U.S. government to release barrels from its emergency stockpile. Chevron said it was engaging with pipeline operator Shell, and coordinating on a testing program to monitor zinc levels throughout the pipeline system.

Halliburton, the world's largest fracking company, announced Tuesday it is taking equipment out of service during the second half of 2025 as producers throttle back their drilling budgets. The last time Halliburton idled a significant amount of fracking equipment was back during the pandemic.

Early Market Call - as of 9:25 AM EDT

WTI - Sep \$66.04, up 62 cents

RBOB - Aug \$2.1062, down 1.16 cents

HO - Aug \$2.4162, down 3.44 cents

All NYMEX | Prior Settlements

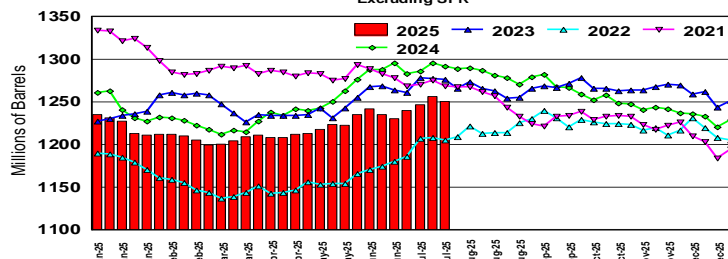
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	2.4490	-0.0028	0.0575
Sep-25	2.4228	0.0018	0.0556
Oct-25	2.4000	0.0048	0.0557
Nov-25	2.3670	0.0100	0.0548
Dec-25	2.3241	0.0140	0.0519
Jan-26	2.3066	0.0156	0.0483
Feb-26	2.2910	0.0166	0.0450
Mar-26	2.2624	0.0179	0.0414
Apr-26	2.2255	0.0193	0.0368
May-26	2.1997	0.0203	0.0315
Jun-26	2.1809	0.0204	0.0248
Jul-26	2.1786	0.0198	0.0210
Aug-26	2.1799	0.0193	0.0187
Sep-26	2.1837	0.0188	0.0173
Oct-26	2.1875	0.0177	0.0162
Nov-26	2.1880	0.0166	0.0155
Dec-26	2.1859	0.0160	0.0150

Sprague HeatCurve October 2025-April 2026

	Close	Change
Crude - WTI	\$65.2500	-\$0.0600
Crude - Brent	\$68.5100	-\$0.0800
Natural Gas	\$3.0770	-\$0.1750
Gasoline	\$2.1213	\$0.0194

Total U.S. Oil Stocks

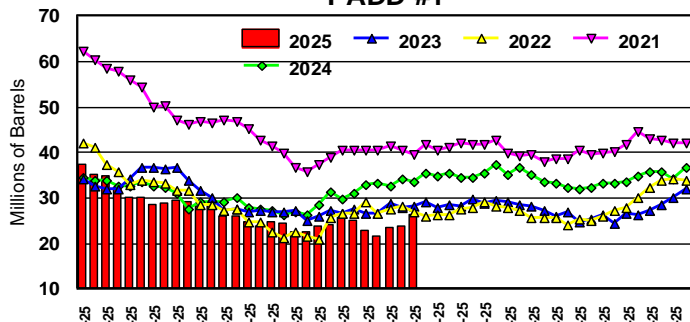
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending July 18, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.169 million barrels

Cushing, OK Crude Stocks Up 213,000 barrels

Gasoline Stocks Down 1.738 million barrels

Distillate Stocks Up 2.931 million barrels

Refinery % Operated 95.5%, up 1.6%

PADD #1

	Week Ending July 18, 2025	Week Ending Jul 11, 2025	Week Ending July 19, 2024
Distillate Stocks (in million bbl)			
New England	3.3	3.3	4.1
Central Atlantic	10.7	10.6	17.0
Total PADD #1	26.2	23.6	33.4
Distillate Imports (thousands b/d)	81	133	81