

Market Commentary

Recap: The oil market traded lower following a three day rally and posted an inside trading day ahead of Friday's tariff deadline and the threats of sanctions against Russia and buyers of its oil amid the absence of a swift resolution to the war in Ukraine. In overnight trading, the market posted a high of \$70.41 as it failed to test its previous high, while traders await further developments on President Donald Trump's policy intentions. While the U.S. gave Mexico a 90-day reprieve from higher tariffs to negotiate a broader trade deal, President Trump was expected to issue higher final duty rates for most other countries as the Friday deadline approached. The market traded to a low of \$68.56 by mid-day before it bounced off that level and traded in a sideways trading pattern during the remainder of the session. The September WTI contract settled down 74 cents at \$69.26, while the September Brent contract went off the board down 71 cents at \$72.53. Meanwhile, the product markets ended the session lower, with the heating oil market settling down 1.9 cents at \$2.3995 and the RB market settling down 5.35 cents at \$2.2156.

Technical Analysis: The crude market is seen trading lower amid the expectations that the U.S. will impose higher tariff rates on the countries that have not signed a trade deal with the U.S. However, its losses will remain limited amid the threats of sanctions on Russia and buyers of its crude if there is no deal to end Russia's war in Ukraine by August 8th. The oil market is seen finding support at \$68.56, \$68.45, \$66.53, \$65.05-\$65.00, \$64.71, \$64.38, \$64.10 and \$63.93. Meanwhile, resistance is seen at \$70.41, \$70.51, \$70.96, \$73.70 and \$75.98.

Fundamental News: The United States told the United Nations Security Council that U.S. President Donald Trump has made clear that he wants a deal to end Russia's war in Ukraine by August 8th. Senior diplomat John Kelley said the U.S. is prepared to implement additional measures to secure peace.

U.S. President Donald Trump said he had agreed with Mexican President Claudia Sheinbaum to extend an existing trade deal with Mexico for 90 days and continue talks over that period with the goal of signing a new deal. He said Mexico will continue to pay a 25% fentanyl tariff, 25% tariff on cars and 50% tariff on steel, aluminum and copper.

The Financial Times reported, citing Iran's Foreign Minister Abbas Araghchi, the U.S. must agree to compensate Iran for losses incurred during last month's war, as Tehran adopts a tougher stance and sets new conditions for restarting nuclear negotiations with the Trump administration.

The EIA said U.S. crude oil production increased to a record 13.49 million bpd in May, even as oversupply concerns pushed prices for the commodity to four year lows. It said U.S. crude output was up 24,000 bpd in May from the prior record of 13.46 million bpd in April, which was the previous record. It reported that U.S. shipments of crude oil via rail in May increased by 86,000 bpd on the month to 305,000 bpd.

According to a Reuters survey, Brent crude is forecast to average \$67.84/barrel in 2025 and U.S. crude is expected to average \$64.61/barrel, largely in line with last month's estimates of \$67.86/barrel and \$64.51/barrel.

Trade sources said Asia is expected to increase its imports of U.S. West Texas Intermediate crude in the fourth quarter after Middle East oil prices strengthened and opened the arbitrage window.

Early Market Call - as of 8:45 AM EDT

WTI - Sep \$69.30, down 6 cents
 RBOB - Sep \$2.1523, down 2.13 cents
 HO - Sep \$2.3681, down 2.93 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	2.3995	-0.019	-0.0134
Sep-25	2.3959	-0.0147	0.0072
Oct-25	2.3908	-0.0128	0.0181
Nov-25	2.376	-0.014	0.0295
Dec-25	2.3529	-0.0164	0.0434
Jan-26	2.3432	-0.0175	0.0502
Feb-26	2.3307	-0.0184	0.0534
Mar-26	2.3067	-0.0183	0.0562
Apr-26	2.2766	-0.0173	0.0601
May-26	2.2561	-0.0161	0.0628
Jun-26	2.2409	-0.0149	0.0638
Jul-26	2.2394	-0.0148	0.0629
Aug-26	2.24	-0.0153	0.0615
Sep-26	2.2429	-0.0151	0.0604
Oct-26	2.2456	-0.0151	0.0589
Nov-26	2.2449	-0.015	0.0569
Dec-26	2.241	-0.0154	0.0545

Sprague HeatCurve October 2025-April 2026

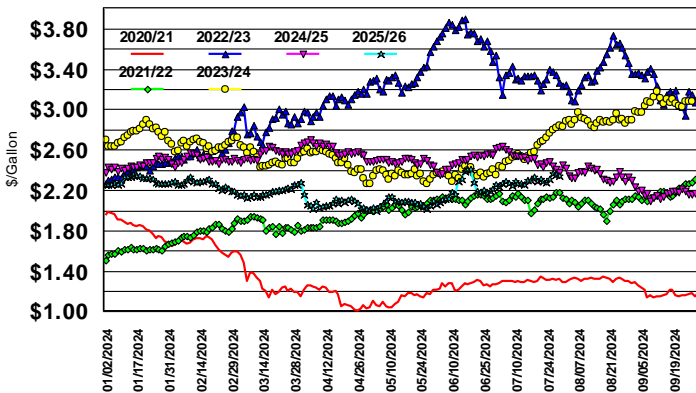
	Close	Change
Crude - WTI	\$69.2600	-\$0.7400
Crude - Brent	\$72.5300	-\$0.7100
Natural Gas	\$3.1060	\$0.0610
Gasoline	\$2.2156	-\$0.0535

EIA Working Gas Storage Report

	25-Jul-25	18-Jul-25	Change	25-Jul-24
East	651	634	17	709
Midwest	765	746	19	840
Mountain	243	239	4	253
Pacific	302	297	5	286
South Central	1162	1159	3	1,158
Salt	316	325	-9	308
Nonsalt	846	834	12	851
Total	3123	3075	48	3,246

Sprague HeatCurve

Sprague HeatCurve October-April



September WTI



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