



MarketWatch | Refined Products

Tuesday, August 12, 2025

Market Commentary

Recap: The crude oil market posted an inside trading day and settled higher as traders looked ahead to talks this week between the U.S. and Russia over the war in Ukraine. U.S. President Donald Trump is scheduled to meet Russia's President Vladimir Putin on Friday in Alaska to negotiate an end to the war in Ukraine. President Trump set a deadline of last Friday to agree to peace or have its oil buyers face secondary sanctions. The market's gains have been limited as the U.S. has only imposed an extra tariff on India alone rather than all buyers of Russian oil. The market posted a low of \$63.02 in overnight trading before it retraced its previous losses and rallied to a high of \$64.44 by mid-morning. The oil market later settled in a sideways trading range during the remainder of the session. The September WTI contract settled up 8 cents at \$63.96 and the October Brent contract settled up 4 cents at \$66.63. The product markets ended the session in mixed territory, with the heating oil market settling up 1.17 cents at \$2.2910 and the RB market settled down 95 points at \$2.0766.

Technical Analysis: The oil market will continue to trend sideways ahead of Friday's planned meeting between U.S. President Donald Trump and Russia's President Vladimir Putin. The market seems to be expecting an agreement that will keep Russia's exports intact at least for now. The market is also seen trending sideways as another source of volatility was delayed as President Trump extended the tariff truce with China for another 90 days to allow for further trade negotiations. The crude market is seen finding resistance at \$64.44, \$64.58, \$65.11, \$66.75, \$67.08, \$67.74, \$67.89 followed by \$69.59 and \$70.51. Meanwhile, support is seen at \$63.02, \$62.77, \$62.55, \$60.89 and \$60.15.

Fundamental News: A White House official said U.S. President Donald Trump has signed an executive order extending a pause in sharply higher U.S. tariffs on Chinese imports for another 90 days. A tariff truce between Beijing and Washington had been set to expire on August 12th. U.S. President Donald Trump said that his meeting with Russian President Vladimir Putin this Friday in Alaska will be a "feel-out meeting" aimed at urging Russia to end the war in Ukraine. He said both Ukraine and Russia would have to cede land to each other to end the war. He also said a future meeting could include Ukrainian President Volodymyr Zelenskyy.

Meanwhile, Ukraine's President Volodymyr Zelenskyy said that there were no signs that Russia was preparing to put an end to its hostilities in Ukraine. He said Russia was instead moving troops and forces in such a way as to launch new offensive operations.

European leaders and Ukraine's Volodymyr Zelenskyy will speak to U.S. President Donald Trump this week ahead of his summit with Russian leader Vladimir Putin, amid fears Washington may dictate unfavorable peace terms to Ukraine.

UBS expects Brent crude to trade unchanged at \$68/barrel at the end of September. It sees a decline to \$62/barrel by the end of 2025 and March 2026 for Brent crude. It then sees a recovery in prices to \$65/barrel by mid-2026, where it will likely remain around the second half of the year. It narrowed the WTI discount to Brent to \$3/barrel from a previous forecast of \$4/barrel. UBS expects OPEC+ to pause its production adjustments, unless larger lasting unexpected supply disruptions emerge. It expects global oil demand to set a peak for 2025 this month and modestly decline over the coming months.

Several trade sources said Saudi Arabia's crude oil exports to China are set to fall in September, falling from a more than two-year high in August after the world's largest exporter increased its prices. Saudi Aramco will ship about 43 million barrels or 1.43 million bpd to China in September. That is down from 1.65 million bpd allocated in August.

IIR Energy reported that U.S. oil refiners are expected to shut in about 221,000 bpd of capacity in the week ending August 15th, unchanged from the previous week.

Early Market Call - as of 8:30 AM EDT

WTI - Sep \$63.45, down 55 cents

RBOB - Sep \$2.0727, down 48 points

HO - Sep \$2.2617, down 2.54 cents

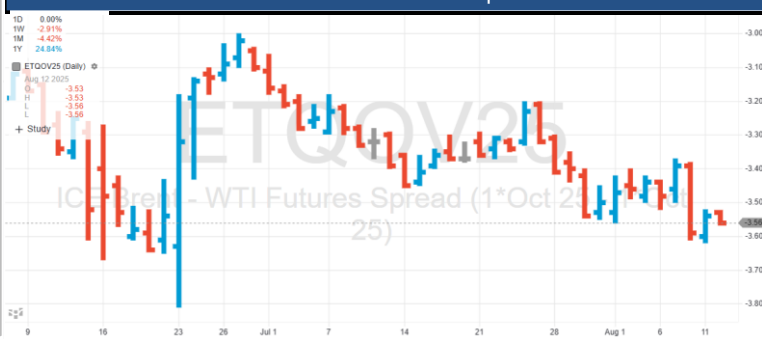
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-25	2.2910	0.0117	-0.0266
Oct-25	2.2824	0.0128	-0.0282
Nov-25	2.2668	0.0111	-0.0295
Dec-25	2.2477	0.0100	-0.0279
Jan-26	2.2431	0.0097	-0.0237
Feb-26	2.2340	0.0087	-0.0218
Mar-26	2.2151	0.0077	-0.0214
Apr-26	2.1916	0.0068	-0.0202
May-26	2.1762	0.0069	-0.0195
Jun-26	2.1640	0.0073	-0.0193
Jul-26	2.1636	0.0078	-0.0189
Aug-26	2.1650	0.0077	-0.0187
Sep-26	2.1686	0.0081	-0.0181
Oct-26	2.1713	0.0083	-0.0183
Nov-26	2.1705	0.0083	-0.0182
Dec-26	2.1664	0.0084	-0.0182
Jan-27	2.1668	0.0086	-0.0181

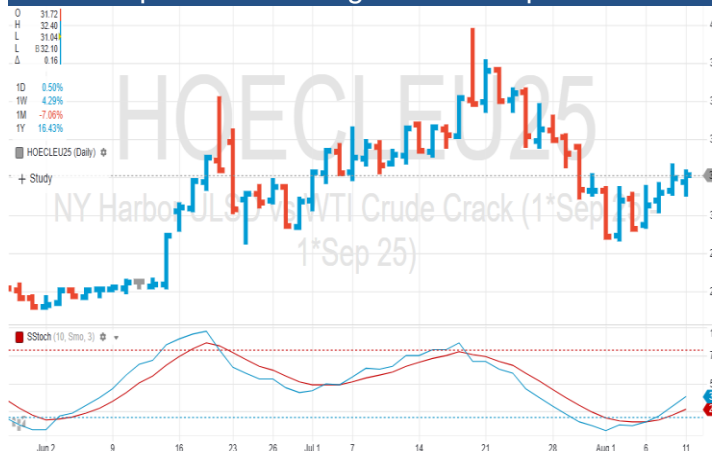
Sprague HeatCurve October 2025-April 2026 \$2.2389

	Close	Change
Crude - WTI	\$63.0900	\$0.0900
Crude - Brent	\$66.6300	\$0.0400
Natural Gas	\$2.9540	-\$0.0360
Gasoline	\$2.0766	-\$0.0095

ICE October Brent-WTI Spread



September Heating Oil Crack Spread



September RBOB Crack Spread



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.