



MarketWatch | Refined Products

Wednesday, August 13, 2025

Market Commentary

Recap: The oil market on Tuesday posted yet another inside trading day as the market weighed the news of the U.S. and China extending a pause on higher tariffs and the meeting between U.S. President Donald Trump and Russia's President Vladimir Putin on Friday. The market remained cautious ahead of the meeting as any progress in a ceasefire or even a peace deal would likely mean that Russian barrels will continue flowing. The market posted a high of \$64.34 early in the morning before it erased its gains and sold off to a low of \$63.06 in afternoon trading. The market later settled in a sideways trading range ahead of the close as it positioned itself ahead of the weekly petroleum stocks reports later in the evening and Wednesday morning. The September WTI contract settled down 79 cents at \$63.17 and the October Brent contract settled down 51 cents at \$66.12. The product markets ended the session in negative territory, with the heating oil market settling down 4.69 cents at \$2.2441 and the RB market settling down 22 points at \$2.0744.

Technical Analysis: The crude market on Wednesday will be driven by weekly inventory reports, which are expected to show draws in crude stocks. While the market likely retraces some of its losses, its gains will remain limited as the market will continue to await further developments regarding the meeting between the U.S. and Russia on Friday. The market is seen finding support at its lows of \$63.06-\$63.02, \$62.77, \$62.55, \$60.89 and \$60.15. Meanwhile, resistance is seen at \$64.34, \$64.44, \$64.58 and \$65.11. Further resistance is seen at \$66.75, \$67.08, \$67.74 and \$67.89.

Fundamental News: OPEC raised its forecast for global oil demand next year and cut its forecast for growth in supply from the United States and other producers outside the wider OPEC+ group, pointing to a tighter market outlook. OPEC said world oil demand will increase by 1.38 million bpd in 2026, up 100,000 bpd from the previous forecast. This year's expectation was left unchanged at 1.29 million bpd. Oil supply from countries outside OPEC+ will increase by about 810,000 bpd this year and 630,000 bpd in 2026, down from last month's forecast of 730,000 bpd. The outlook for higher demand and a drop in supply growth from outside OPEC+ would make it easier for OPEC+ to proceed with its plan to produce more barrels to regain market share after years of cuts aimed at supporting the market. The report also showed that in July, OPEC+ raised its crude output by 335,000 bpd, a further increase reflecting its decisions this year to increase output quotas. OPEC+ crude output averaged 41.94 million bpd in July. OPEC crude oil production increased by 263,000 bpd to 27.54 million bpd.

The EIA released their latest Short Term Energy Report on Tuesday and it has revised downward its projection for U.S. crude oil output in 2026 by 90,000 b/d to 13.28 million b/d. This would mark the first annual drop in U.S. domestic crude production since 2021. But the EIA sees U.S. crude oil production hitting a new all-time high this coming December of 13.6 million b/d before beginning its contraction. The EIA also increased its forecasts for a global supply surplus in 2025 to about 1.7 million b/d, up from a previously estimated 1.1 million b/d.

BloombergNEF is estimating global passenger jet fuel demand for the period of August 12 -18 will drop by 0.6% to some 7.46 million b/d. The demand for the week though is still some 4.2% higher than the same week a year ago.

The Farmers' Almanac this week has released its winter forecast for 2025-2026. It warns of cold for a massive portion of the United States, with the season's coldest temperatures will be found from the Northern Plains to New England". The Farmer's Almanac in particular is calling for "a significant cold snap in mid-January" followed by another in mid-February.

Early Market Call - as of 9:05 AM EDT

WTI - Sep \$63.06, down 2 cents

RB0B - Sep \$2.0793, up 81 points

HO - Sep \$2.2346, down 66 points

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-25	\$2.2441	-\$0.0469	-\$0.0061
Sep-25	\$2.2409	-\$0.0415	-\$0.0074
Oct-25	\$2.2312	-\$0.0356	-\$0.0083
Nov-25	\$2.2165	-\$0.0312	-\$0.0101
Dec-25	\$2.2140	-\$0.0291	-\$0.0088
Jan-26	\$2.2069	-\$0.0271	-\$0.0075
Feb-26	\$2.1891	-\$0.0260	-\$0.0091
Mar-26	\$2.1665	-\$0.0251	-\$0.0117
Apr-26	\$2.1523	-\$0.0239	-\$0.0142
May-26	\$2.1411	-\$0.0229	-\$0.0163
Jun-26	\$2.1413	-\$0.0223	-\$0.0168
Jul-26	\$2.1434	-\$0.0216	-\$0.0172
Aug-26	\$2.1469	-\$0.0217	-\$0.0176
Sep-26	\$2.1507	-\$0.0206	-\$0.0171
Oct-26	\$2.1515	-\$0.0190	-\$0.0153
Nov-26	\$2.1497	-\$0.0167	-\$0.0130
Dec-26	\$2.1517	-\$0.0151	-\$0.0116

Sprague HeatCurve October 2025-April 2026

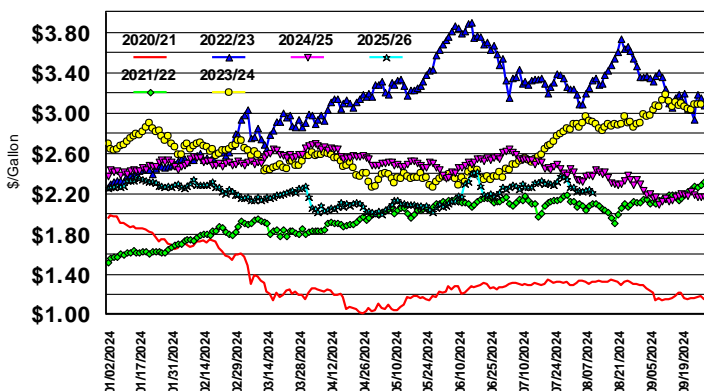
	Close	Change
Crude - WTI	\$62.4800	-\$0.6100
Crude - Brent	\$66.1200	-\$0.5100
Natural Gas	\$3.8080	-\$0.1460
Gasoline	\$2.0744	-\$0.0022

API Report for the Week Ending August 8, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1.52 million barrels	Down 1.8 million barrels
Gasoline Stocks	Down 1.78 million barrels	Down 1.4 million barrels
Distillate Stocks	Up 295,000 barrels	Down 200,000 barrels
Refinery Runs		Up 0.5% at 97.4%

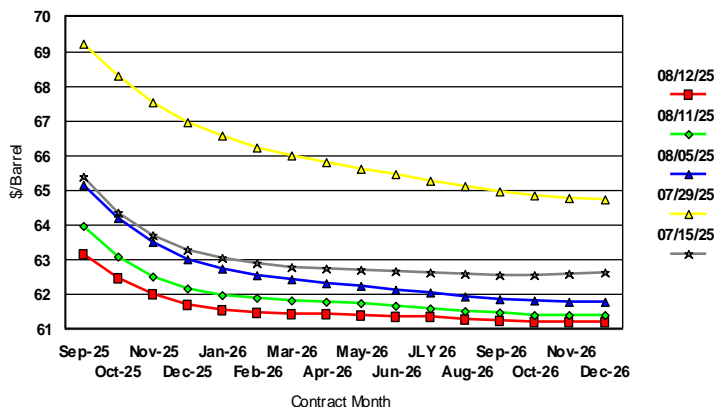
Sprague HeatCurve October-April

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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