

## Market Commentary

**Recap:** The crude oil market traded lower as the market weighed an unexpected build in crude oil inventories against comments made by U.S. Treasury Secretary Scott Bessent over leveraging sanctions against Russia. The crude market continued to trade lower in overnight trading after the IEA raised its forecast for oil supply growth this year and lowered its demand forecast. However, the market traded higher and posted a high of \$63.38 in light of the news of Treasury Secretary Scott Bessent stating that sanctions or secondary tariffs could be increased if the meeting between U.S. President Donald Trump and Russia's President Vladimir Putin on Friday does not go well and called on European leaders to also leverage sanctions. However, the market traded lower in light of the EIA reporting an unexpected build in crude stocks of 3 million barrels in the week ending August 8<sup>th</sup>. The oil market sold off to a low of \$61.94 by mid-day and settled in a sideways trading range during the remainder of the session. The September WTI contract settled down 52 cents at \$62.65 and the October Brent contract settled down 49 cents at \$65.63. Meanwhile, the product markets ended the session lower, with the heating oil market settling down 13 points at \$2.2428 and the RB market settling down 40 points at \$2.0704.

**Technical Analysis:** On Thursday, the oil market will likely trade sideways as the market remains cautious ahead of the meeting between President Trump and Russia's President Vladimir Putin on Friday. The market will continue to weigh the inventory build against any supportive headlines surrounding the meeting. The market may also find some support from the news of France, Germany, and the United Kingdom reinstating sanctions on Iran if it does not return to negotiations over its nuclear program. The market is seen finding support at its low of \$61.94, \$60.89, \$60.15 and \$59.10. Meanwhile, resistance is seen at \$62.84, \$63.38, \$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:** The International Energy Agency raised its forecast for oil supply growth this year following a decision by the OPEC+ producer group to increase its production and lowered its demand forecast due to lower demand across the major economies. The IEA expects world oil supply to increase by 2.5 million bpd in 2025, up from 2.1 million bpd previously forecast. World oil demand will increase by 680,000 bpd this year, down from 700,000 bpd previously forecast. It also lowered its 2026 oil demand growth forecast to 700,000 bpd for 2026, down from a previous forecast of 720,000 bpd. It said the market is on track for a record surplus next year as output increases and demand growth slows. Oil inventories will accumulate at a rate of 2.96 million bpd. According to the IEA, despite higher OPEC+ production, non-OPEC producers will continue to lead world supply growth this year and next. It increased its forecast for non-OPEC+ supply growth in 2026 by 100,000 bpd to 1 million bpd, led by the U.S., Guyana, Canada and Brazil. Despite lowering its demand forecast, the IEA expects global oil refining runs to approach an all-time high of 85.6 million bpd in August.

U.S. President Donald Trump said that if his meeting with Russian President Vladimir Putin goes well, he would like to have a quick second meeting with Russia's President, Ukrainian President Volodymyr Zelenskyy, and himself. He did not provide a timeframe for a second meeting. He also said Russia would face consequences if Russia's President does not agree to stop the war.

Crude oil flows on the 950,000 bpd Seaway crude oil pipeline fell due to flooding.

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

### Early Market Call - as of 8:35 AM EDT

WTI - Sep \$62.86, up 12 cents

RB0B - Sep \$2.0876, up 1.01 cents

HO - Sep \$2.2168, down 2.64 cents

## All NYMEX | Prior Settlements

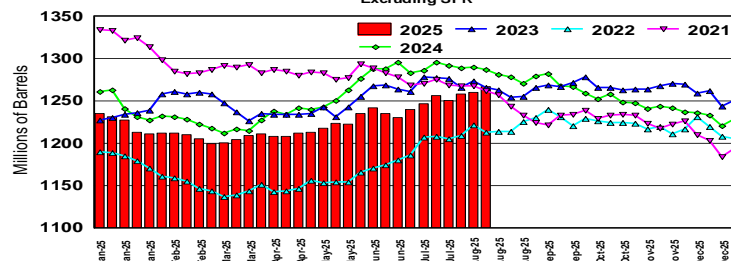
|        | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
|        | Close     | Change       | One Week  |
| Aug-25 | 2.2428    | -0.0013      | -0.0074   |
| Sep-25 | 2.2390    | -0.0019      | -0.0093   |
| Oct-25 | 2.2266    | -0.0046      | -0.0129   |
| Nov-25 | 2.2115    | -0.0050      | -0.0151   |
| Dec-25 | 2.2090    | -0.0050      | -0.0138   |
| Jan-26 | 2.2020    | -0.0049      | -0.0124   |
| Feb-26 | 2.1846    | -0.0045      | -0.0136   |
| Mar-26 | 2.1624    | -0.0041      | -0.0158   |
| Apr-26 | 2.1492    | -0.0031      | -0.0173   |
| May-26 | 2.1395    | -0.0016      | -0.0179   |
| Jun-26 | 2.1403    | -0.0010      | -0.0178   |
| Jul-26 | 2.1428    | -0.0006      | -0.0178   |
| Aug-26 | 2.1468    | -0.0001      | -0.0177   |
| Sep-26 | 2.1503    | -0.0004      | -0.0175   |
| Oct-26 | 2.1500    | -0.0015      | -0.0168   |
| Nov-26 | 2.1461    | -0.0036      | -0.0166   |
| Dec-26 | 2.1469    | -0.0048      | -0.0164   |

### Sprague HeatCurve October 2025-April 2026

|               | Close     | Change    |
|---------------|-----------|-----------|
| Crude - WTI   | \$61.9300 | -\$0.5500 |
| Crude - Brent | \$65.6300 | -\$0.4900 |
| Natural Gas   | \$2.8280  | \$0.0200  |
| Gasoline      | \$2.0704  | -\$0.0040 |

### Total U.S. Oil Stocks

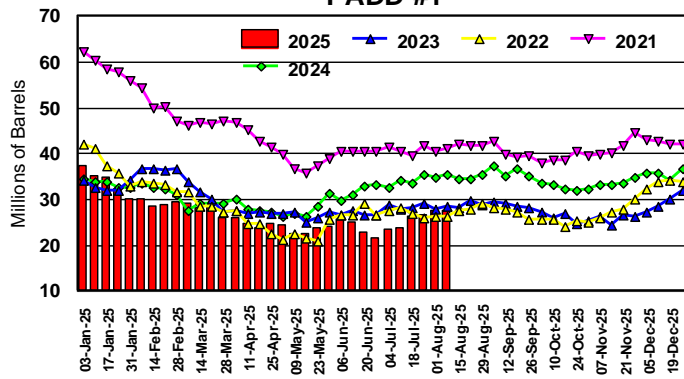
Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending August 8, 2025

### Distillate Stocks

#### PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.036 million barrels

Cushing, OK Crude Stocks Up 45,000 barrels

Gasoline Stocks Down 792,000 barrels

Distillate Stocks Up 714,000 barrels

Refinery % Operated 96.4%, down 0.5%

#### PADD #1

|                                       | Week Ending<br>Aug 8, 2025 | Week Ending<br>Aug 1, 2025 | Week Ending<br>Aug 9, 2024 |
|---------------------------------------|----------------------------|----------------------------|----------------------------|
| Distillate Stocks<br>(in million bbl) |                            |                            |                            |
| New England                           | 3.3                        | 3.3                        | 4.1                        |
| Central Atlantic                      | 13.2                       | 12.2                       | 17.9                       |
| Total PADD #1                         | 27.4                       | 27.6                       | 35.3                       |
| Distillate Imports<br>(thousands b/d) | 74                         | 59                         | 57                         |