

Market Commentary

Recap: The crude market continued to move higher on Wednesday on increasing geopolitical tensions. The market remained supported by the Israeli attack on Hamas leadership in Qatar, as several countries condemned the attack. The market opened at its low of \$62.72 and continued to trend higher. Geopolitical tensions increased further when Poland shot down drones during a Russian attack in western Ukraine, marking the first time a NATO member fired shots in the war. The oil market was further supported by news that the European Union was considering a faster phase out of Russian oil as part of new sanctions against Russia after U.S. President Donald Trump on Tuesday urged the European Union to impose 100% tariffs on China and India. The market rallied to a high of \$64.08 in afternoon trading as its gains and dismissed the EIA report showing builds across the board. It later gave up some of its gains and traded sideways ahead of the close. The October WTI contract settled up \$1.04 at \$63.67 and the November Brent contract settled up \$1.10 at \$67.49. The product markets ended the session higher, with the heating oil market settling up 1.38 cents at \$2.3337 and the RB market settling up 1.55 cents at \$2.008.

Technical Analysis: The crude market is seen retracing some of Wednesday's sharp gains as the market will likely refocus on the U.S. oil inventory builds. However, any retracement in prices will remain limited by the increased geopolitical tensions. The oil market is seen finding resistance at its high of \$64.08, \$64.28, \$64.72 followed by \$65.72 and \$66.03. Support is seen at \$62.72, \$62.37, \$61.85 and \$61.45.

Fundamental News: On Tuesday, U.S. President Donald Trump said that a call with his Russian counterpart Vladimir Putin will take place this week or early next week.

On Wednesday, Poland shot down drones in its airspace with the backing of military aircraft from its NATO allies, the first time a member of the Western military alliance is known to have fired shots during Russia's war in Ukraine. Russia's Defense Ministry said that its drones had carried out a major attack on military facilities in western Ukraine but that it had not planned to hit any targets in Poland.

European Commission President, Ursula von der Leyen, said the European Union is considering a faster phase-out of Russian fossil fuels as part of new sanctions against Russia after U.S. pressure to stop buying Russian oil. She said the EU was preparing sanctions on 'shadow fleet' tankers that transport its oil and third countries that buy it. EU officials are in Washington this week to discuss coordination on further Russia sanctions. Last week, U.S. President Donald Trump, seeking to end Russia's war in Ukraine, told European leaders last week to stop buying oil from Russia. The EU has already banned imports of seaborne crude oil from Russia, accounting for more than 90% of its Russian oil imports, and imposed a price cap on Russian oil trade.

IIR Energy reported that U.S. oil refiners are expected to shut in about 585,000 bpd of capacity in the week ending September 12th, cutting available refining capacity by 154,000 bpd. It added that offline capacity is expected to increase to 702,000 bpd in the week ending September 19th.

Magellan Pipeline this week launched a binding open season to gauge customer interest in its proposed 440 mile refined products pipeline running from Texas to Arizona. The Sunbelt Connector pipeline project would have an in-service date of 2029 and have a 200,000 b/d capacity.

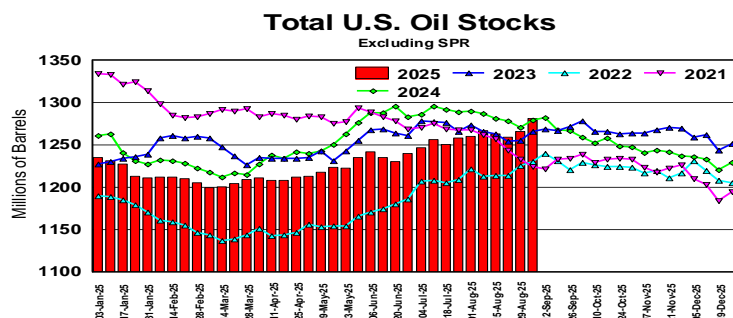
Early Market Call - as of 8:30 AM EDT

WTI - Oct \$62.85, down 90 cents
 RBOB - Oct \$1.9779, down 3.05 cents
 HO - Oct \$2.2884, down 4.83 cents

All NYMEX | Prior Settlements

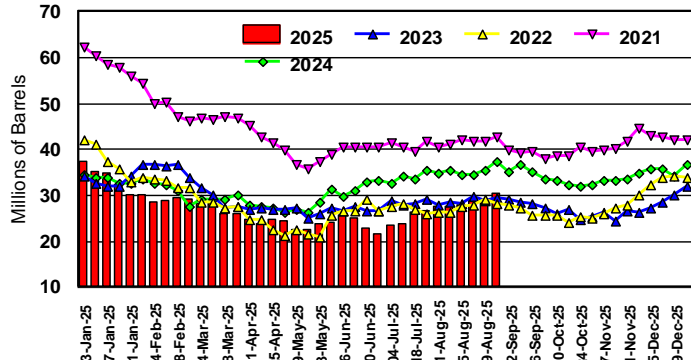
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-25	2.3337	0.0138	-0.0272
Nov-25	2.3263	0.0162	-0.0224
Dec-25	2.3031	0.0168	-0.0180
Jan-26	2.2930	0.0170	-0.0152
Feb-26	2.2824	0.0174	-0.0126
Mar-26	2.2588	0.0181	-0.0118
Apr-26	2.2300	0.0185	-0.0113
May-26	2.2104	0.0180	-0.0099
Jun-26	2.1959	0.0177	-0.0084
Jul-26	2.1938	0.0172	-0.0070
Aug-26	2.1953	0.0169	-0.0060
Sep-26	2.1999	0.0162	-0.0048
Oct-26	2.2047	0.0158	-0.0036
Nov-26	2.2053	0.0155	-0.0029
Dec-26	2.2028	0.0151	-0.0026
Jan-27	2.2043	0.0145	-0.0022
Feb-27	2.2023	0.0140	-0.0016

Sprague HeatCurve October 2025-April 2026		\$2.2887
	Close	Change
Crude - WTI	\$63.3500	\$1.0600
Crude - Brent	\$67.4900	\$1.1000
Natural Gas	\$3.0290	-\$0.0880
Gasoline	\$2.0080	\$0.0155



Weekly EIA Petroleum Status Report for the Week Ending September 5, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.939 million barrels
 Cushing, OK Crude Stocks Down 365,000 barrels
Gasoline Stocks Up 1.458 million barrels
Distillate Stocks Up 4.715 million barrels
Refinery % Operated 94.9%, up 0.6%

PADD #1

	Week Ending Sep 5, 2025	Week Ending Aug 29, 2025	Week Ending Sep 6, 2024
Distillate Stocks (in million bbl)			
New England	3.9	3.6	5.3
Central Atlantic	14.6	14.0	19.5
Total PADD #1	30.3	28.7	37.2
Distillate Imports (thousands b/d)	134	47	112