MarketWatch | Refined Products

Monday, October 13, 2025

Market Commentary

Recap: The oil market extended its previous losses and ended the session down 4.24% after U.S. President Donald Trump said the U.S. was weighing a large increase in tariffs imposed on Chinese exports. The President's threat of an increase in tariffs sent the equities markets into a spiral, as such a step could revive a destabilizing tit-for-tat trade war that the U.S. and China paused earlier this year following trade talks. The market traded lower in overnight trading as the risk premium faded following the signing of a ceasefire agreement between Israel and Hamas on Thursday and its ratification by Israel's government on Friday. The crude market posted a high of $61.67 in overnight trading and continued to trend lower, trading to $59.57 by mid-morning, where it held some support. However, the market tumbled further, extending its losses to $2.81 as it posted a low of $58.70 in light of the tariff threat. The November WTI contract later settled in a sideways trading range ahead of the close and ended the day down $2.61 at $58.90. The December Brent contract settled down $2.49 at $62.73. Meanwhile, the product markets ended the session sharply lower, with the heating oil market settling down 7.59 cents at $2.2044 and the RB market settling down 6.22 cents at $1.8204.

Technical Analysis: The crude market will remain headline driven as traders await the news of Israel and Hamas fulfilling their obligations under the ceasefire deal. Following the ceasefire deal, the market may focus on the expected oil surplus as OPEC proceeds with the unwinding of production cuts. It will also look for further developments regarding the war in Ukraine and the potential for further sanctions on Russia's oil as well as on Iran's oil after the U.S. Treasury on Friday imposed sanctions on a Chinese refinery and terminal that help Iran's oil trade. The market is seen finding support at $58.70, $58.49, $57.71, $57.50, $57.03 and $55.30. Meanwhile, resistance is seen at $60.31, $60.81, $61.31, $61.67, $62.09, $62.87 and $62.92.

Fundamental News: U.S. President Donald Trump threatened to increase tariffs against China and cancel a planned meeting with President Xi Jinping.

On Friday, the Israeli military said that the Gaza ceasefire agreement went into effect at midday, as Israeli troops began pulling back from some parts of Gaza. Israel's government ratified the ceasefire with Hamas in the early hours of Friday, clearing the way to pull back troops and fully suspend hostilities in Gaza within 24 hours. Israeli hostages held there are to be freed within 72 hours after that, in return for Palestinian prisoners held in Israel. Axios reported that U.S. President Donald Trump plans to convene world leaders for a summit on Gaza during his visit to Egypt next week.

The U.S. Treasury Department imposed sanctions on about 100 individuals, entities and vessels, including a Chinese independent refinery and terminal that helped Iran's oil and petrochemicals trade. The Treasury Department sanctioned the Shandong Jincheng Petrochemical Group, which it said is an independent teapot refinery in Shandong Province that has purchased millions of barrels of Iranian oil since 2023. It also sanctioned China-based Rizhao Shihua Crude Oil Terminal, which operates a terminal at Lanshan port.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating, the first reduction in six weeks. It reported that the oil and gas rig count fell by two to 547 in the week ending October 10th. Baker Hughes said oil rigs fell by four to 418 this week, while gas rigs increased by two to 120, their highest level since August.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.8 million bpd of capacity in the week ending October 10th, cutting available refining capacity by 296,000 bpd. Offline capacity is expected to increase to about 1.24 million bpd in the week ending October 17th, before falling to 1.17 million bpd in the week ending October 24th.

Early Market Call - as of 8:50 AM EDT

WTI - Nov $59.46, up $1.22

RBOB - Nov $1.8326, up 2.4 cents

HO - Nov $2.2403, up 4.73 cents

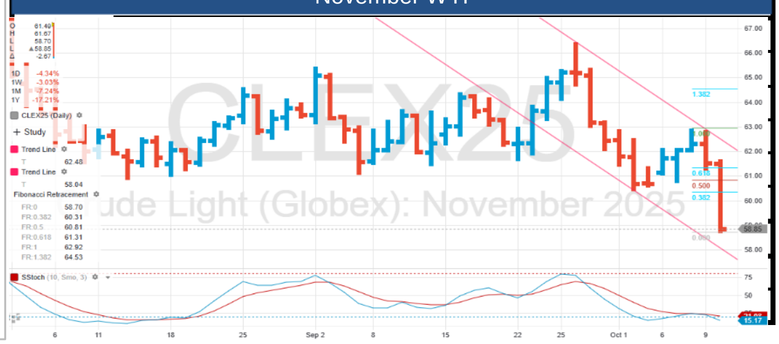
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-25	2.2044	-0.0759	-0.0319
Dec-25	2.1859	-0.0756	-0.0388
Jan-26	2.1773	-0.0739	-0.0403
Feb-26	2.1686	-0.0718	-0.0399
Mar-26	2.1181	-0.1000	-0.0692
Apr-26	2.1227	-0.0674	-0.0382
May-26	2.1054	-0.0647	-0.0389
Jun-26	2.095	-0.0620	-0.0391
Jul-26	2.0977	-0.0593	-0.0372
Aug-26	2.1028	-0.0570	-0.0351
Sep-26	2.11	-0.0550	-0.0331
Oct-26	2.1171	-0.0532	-0.0315
Nov-26	2.1209	-0.0517	-0.0298
Dec-26	2.1221	-0.0502	-0.0279
Jan-27	2.1267	-0.0494	-0.0272
Feb-27	2.1271	-0.0488	-0.0268
Mar-27	2.1212	-0.0482	-0.0271
Sprague HeatCurve October 2026-April 2027			**$2.1222**

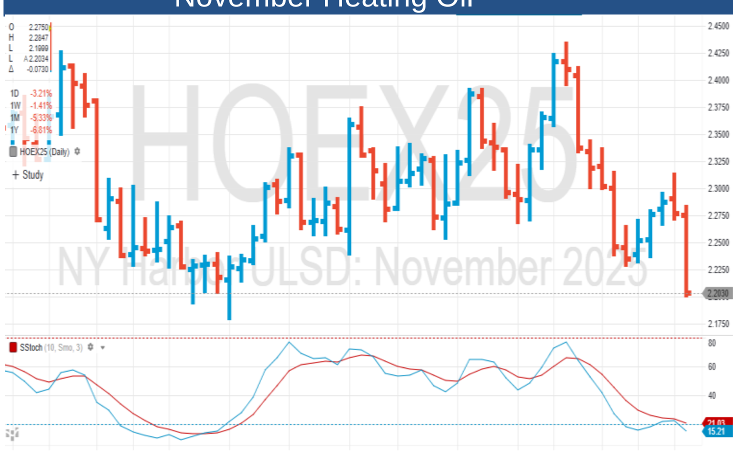
	Close	Change
Crude - WTI	$58.4800	-$2.5500
Crude - Brent	$62.7300	-$2.4900
Natural Gas	$3.1060	-$0.1630
Gasoline	$1.8204	-$0.0622

Dec Brent-WTI Spread $4.25

November WTI



November Heating Oil



Weather Forecast