



MarketWatch | Refined Products

Wednesday, December 10, 2025

Market Commentary

Recap: The crude market continued to trend lower on Tuesday, extending its previous losses, as the markets focus on peace talks to end Russia's war in Ukraine and a decision on U.S. interest rates on Wednesday afternoon. The market, which was pressured on Monday after Iraq restored output at Lukoil's West Qurna 2 oilfield, remained pressured as Ukraine planned to share a revised peace plan with the U.S. on Tuesday following talks in London on Monday between Ukraine's President Volodymyr Zelenskiy and the leaders of France, Germany and Britain. The market traded sideways in overnight trading, posting a high of \$59.17 in early morning trading. However, the market retraced more than 62% of its move from a low of \$57.10 to a high of \$60.50 as it sold off to a low of \$58.12 by mid-day. The market settled in a sideways trading range during the remainder of the session. The January WTI contract settled down 63 cents at \$58.25 and the February Brent contract settled down 55 cents at \$61.94. The product markets ended the session lower, with the heating oil market settling down 3.81 cents at \$2.2601 and the RB market settling down 84 points at \$1.7897.

Technical Analysis: The oil market will likely retrace some of its losses and settled in a sideways trading range ahead of the release of the weekly petroleum stocks reports and the expected cut in interest rates following the end of the Federal Reserve meeting on Wednesday afternoon. The crude market is seen finding support at \$58.12, \$57.66, \$57.10, \$56.33 and \$55.99. Meanwhile, resistance is seen at \$59.17, \$60.30, \$60.50, \$60.70, \$60.85, \$61.01, \$61.18, \$61.60 and \$61.84.

Fundamental News: In its Short Term Energy Outlook, the U.S. EIA raised its 2025 oil production forecast, but lowered its expectations for 2026 production levels. It reported that oil production will average 13.61 million bpd in 2025, the highest level on record. Next year, total output will decline 80,000 bpd to 13.53 million bpd. The EIA raised its forecast for 2026 U.S. oil demand by 100,000 bpd and expects demand to be flat year on year at 20.6 million bpd. The EIA said the price of WTI will average \$65.32/barrel in 2025, up from its estimate last month of \$65.15/barrel. Brent crude prices will average \$68.91/barrel in 2025, up from a previous forecast of \$68.76/barrel.

Ukraine will share a revised peace plan with the U.S. on Tuesday that is aimed at ending Russia's war, following talks in London between Ukraine's President Volodymyr Zelenskiy and the leaders of France, Germany and Britain. He said that the revised plan comprised 20 points, but that there was still no agreement on the issue of giving up territory. Ukraine's President Volodymyr Zelenskiy said that Ukraine was ready for an energy ceasefire if Russia agrees, and that it would do whatever it can to organize a high-level meeting with the U.S. within the next two weeks on a peace deal.

Platts reported that Russia's oil exports to India and China are under threat from tougher Western sanctions, forcing refiners to seek alternative supplies while discounted Russian crude continues to make its way to market through non-sanctioned entities. The U.S. Treasury sanctioned Russia's Lukoil and Rosneft in October, forcing markets to rebalance as buyers face secondary restriction risks. Despite a decline in Russian crude flows to the region, most exports have shifted toward non-sanctioned entities to offset sharp declines from Rosneft and Lukoil since November. Platts stated that sanctions targeting Lukoil and Rosneft have disrupted traditional supply chains, though pipeline flows are expected to be unaffected.

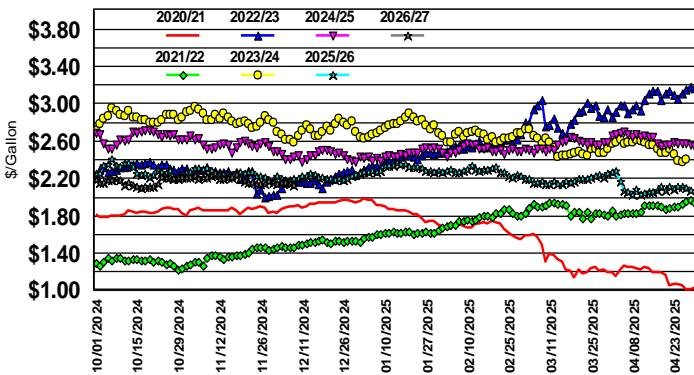
Shell said output at two of its offshore platforms in the U.S. Gulf of Mexico has been temporarily shut due to a shutdown of the Hoover Offshore Oil Pipeline System. Shell said it expects its Whale and Perdido platforms to resume production by the end of the day.

Early Market Call - as of 8:50 AM EDT

WTI - Jan \$58.37, down 2 cents
RBOB - Jan \$1.7846, down 97 points
HO - Jan \$2.2752, up 66 points

Sprague HeatCurve

Sprague HeatCurve October-April



All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-26	\$2.2601	-\$0.0381	-\$0.0526
Feb-26	\$2.2451	-\$0.0314	-\$0.0411
Mar-26	\$2.2153	-\$0.0268	-\$0.0365
Apr-26	\$2.1776	-\$0.0210	-\$0.0319
May-26	\$2.1497	-\$0.0177	-\$0.0302
Jun-26	\$2.1292	-\$0.0157	-\$0.0308
Jul-26	\$2.1241	-\$0.0142	-\$0.0300
Aug-26	\$2.1234	-\$0.0130	-\$0.0283
Sep-26	\$2.1263	-\$0.0121	-\$0.0270
Oct-26	\$2.1291	-\$0.0108	-\$0.0263
Nov-26	\$2.1281	-\$0.0096	-\$0.0257
Dec-26	\$2.1241	-\$0.0084	-\$0.0252
Jan-27	\$2.1238	-\$0.0077	-\$0.0249
Feb-27	\$2.1207	-\$0.0072	-\$0.0246
Mar-27	\$2.1115	-\$0.0070	-\$0.0239
Apr-27	\$2.0952	-\$0.0066	-\$0.0234
May-27	\$2.0856	-\$0.0067	-\$0.0227

Sprague HeatCurve October 2026-April 2027

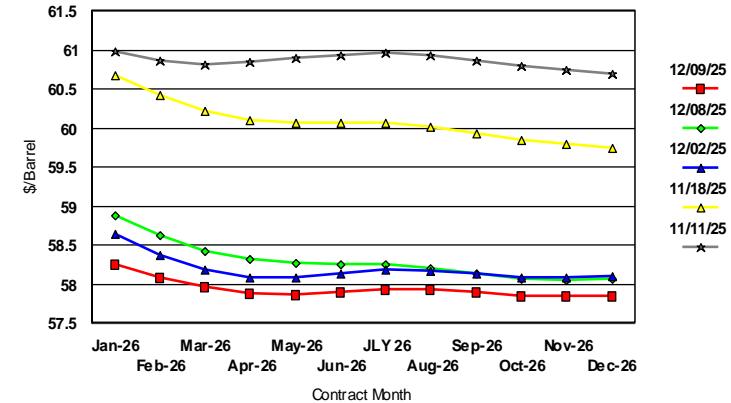
	Close	Change
Crude - WTI	Feb Brent- WTI Spread	\$58.0800 -\$0.5500
Crude - Brent		\$61.9400 -\$0.5500
Natural Gas	\$3.86	\$4.5740 -\$0.3380
Gasoline		\$1.7897 -\$0.0084

API Report for the Week Ending December 5, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 4.78million barrels	Down 1.3 million barrels
Gasoline Stocks	Up 7 million barrels	Up 2.3 million barrels
Distillate Stocks	Up 1.03 million barrels	Up 1 million barrels
Refinery Runs		Up 0.2% at 94.3%

WTI Forward Curve

NYMEX WTI Forward Curve



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