MarketWatch | Refined Products

Friday, March 27, 2026

Market Commentary

Recap: The oil market on Thursday traded higher and retraced some more of its previous losses posted earlier in the week amid doubts about the success of U.S. efforts to negotiate the end of the war with Iran. On Wednesday, the White House stated that U.S. President Donald Trump would hit Iran harder if Iran failed to accept that the country had been defeated militarily, while Iran said it was reviewing the U.S. proposal to end the war but had no intention to hold talks to end the conflict. The crude market posted a low of $90.71 in overnight trading before it breached its previous highs and climbed higher, retracing 62% more of Monday's move lower. It rallied to a high of $95.44 in afternoon trading as President Trump warned Iran to make a deal to end the war to face more strikes. He also stated that taking control of Iran's oil was an option but did not elaborate. The May WTI contract settled up $4.16 at $94.48 and the May Brent contract settled up $5.79 at $108.01. The product markets ended the session sharply higher, with the heating oil market settling up 26.71 cents at $4.2734 and the RB market settling up 11.78 cents at $3.1302.

Technical Analysis: The oil market will remain supported on Friday as hopes for a swift end to the war with Iran faded on Thursday. While Iran has stated that it is reviewing the U.S.' 15-point plan, a senior Iranian official stated that the proposal was one-sided and unfair. Also, the U.S. continues to build up its military in the Gulf region, with the Pentagon planning to send thousands of airborne troops to give the U.S. more options for a possible ground assault. The market will also remain concerned about Yemen's Iran-aligned Houthi movement, which stated that it stood ready to strike the Red Sea waterway again in solidarity with Iran. The oil market is seen finding resistance at $95.44, $101.67, $102.44 and $113.41. Meanwhile, support is seen $89.51, $89.40, $86.46, $86.34, $84.37, $80.60, $75.64, followed by $73.79 and $72.19.

Fundamental News: Barclays said that a prolonged closure of the Strait of Hormuz would likely lead to a 13-14 million bpd supply loss, noting that while the scale of the disruption is immense and so is the uncertainty around its duration. Exports from Yanbu and Fujairah have picked up in recent weeks and assuming no threat to shipments from these ports, the bank sees a supply disruption of that magnitude as likely in the event of a prolonged closure of the Strait. Barclays added that the Iran war has triggered the largest geopolitical shock to energy markets since the 1990 Gulf War, driven by extremely tight spot fundamentals rather than speculative excess. Barclays said that under its base case, it expects traffic through the Strait of Hormuz to normalize by early April and Brent crude would average $85/barrel in 2026. However, if disruptions persist until end-April, 2026 Brent forwards could reprice to $100/barrel, and in a more prolonged scenario stretching to end-May prices could rise to $110/barrel.

Bloomberg reported that Saudi Arabia's oil sales to China and India are set to come in at lower than usual levels next month, as the war raging across the Middle East disrupts Saudi supplies. Saudi Aramco is due to ship about 40 million barrels of crude to customers in China in April. That's lower than usual, as exports were set at 48 million barrels in February. Flows to buyers in India are also set to come in lower.

Valero Energy Corp began restarting its 380,000 bpd Port Arthur, Texas refinery on Wednesday, two days after an explosion rocked the plant. The refinery's 47,000 bpd unit 243 diesel hydrotreater, which exploded on Monday night, will remain idle for repairs while other units are restarted around it.

Early Market Call - as of 8:35 AM EDT

WTI - Apr $96.90, up $3.13

RBOB - Apr $3.2114, up 10.15 cents

HO - Apr $4.3605, up 11.14 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-26	4.2734	0.2671	-0.0686
May-26	4.0770	0.2665	-0.0194
Jun-26	3.7198	0.2347	0.0898
Jul-26	3.4952	0.1844	0.1152
Aug-26	3.3529	0.1601	0.1377
Sep-26	3.2591	0.1429	0.1358
Oct-26	3.1818	0.1290	0.1278
Nov-26	3.1022	0.1166	0.1206
Dec-26	3.0219	0.1047	0.1149
Jan-27	2.9714	0.0977	0.1112
Feb-27	2.9261	0.0916	0.1076
Mar-27	2.8685	0.0864	0.1027
Apr-27	2.8069	0.0804	0.0981
May-27	2.7578	0.0723	0.0877
Jun-27	2.7151	0.0624	0.0744
Jul-27	2.6939	0.0575	0.0654
Aug-27	2.6774	0.0543	0.0575

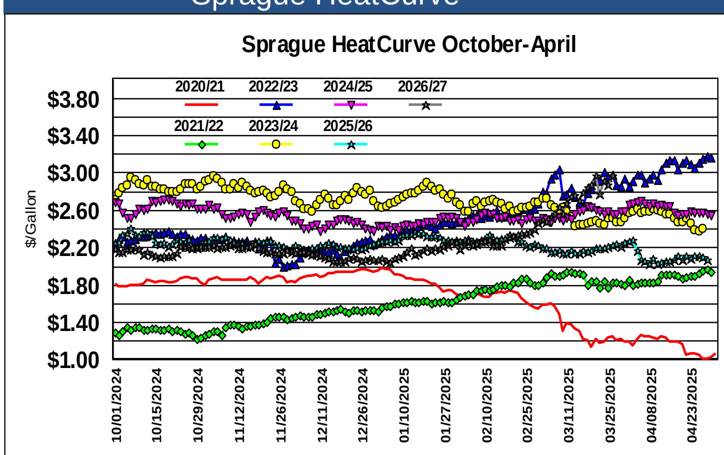
Sprague HeatCurve October 2026-April 2027

		Close	Change
Crude - WTI	May Brent-WTI Spread $13.53	$94.4800	$4.1600
Crude - Brent		$108.0100	$5.7900
Natural Gas		$2.9950	$0.0470
Gasoline		$3.1302	$0.1178

EIA Working Gas Storage Report

	20-Mar-26	13-Mar-26	Change	20-Mar-25
East	271	302	-31	298
Midwest	351	374	-23	367
Mountain	204	201	3	163
Pacific	257	258	-1	192
South Central	745	747	-2	720
Salt	197	192	5	199
Nonsalt	549	555	-6	521
Total	1829	1883	-54	1,739

Sprague HeatCurve



May WTI