



MarketWatch | Refined Products

Tuesday, May 5, 2026

Market Commentary

Recap: The oil market posted an outside trading day on Monday as the market weighed the latest news regarding the Strait of Hormuz and an escalation in the war since a ceasefire was declared four weeks ago. The crude market traded lower on the opening after U.S. President Donald Trump said over the weekend that the U.S. would begin efforts to assist ships stranded in the Strait of Hormuz. However, the market bounced off its low as Iran's military warned U.S. forces not to enter the waterway, saying it would respond to any threat. The market rallied sharply higher, posting a high of \$107.46 early in the morning on news that Iran had struck a U.S. warship intending to pass through the Strait of Hormuz and forced it to turn back. However, the market erased some of its gains and traded back below \$102 as the U.S. denied that any U.S. Navy ship had been struck. It also traded lower on news that two U.S. Navy guided missile destroyers had entered the Gulf to break the Iranian blockade and two U.S. ships had traversed the Strait of Hormuz. The oil market later traded back towards its high as Iran hit several ships in the Strait of Hormuz and set a UAE oil port ablaze. The June WTI contract settled up \$4.48 at \$106.42 and the July Brent contract settled up \$6.27 at \$114.44. The product markets ended the session higher, with the heating oil market settling up 12.68 cents at \$4.0732 and the RB market settling up 1.43 cents at \$3.7342.

Technical Analysis: The crude market will remain supported as the end of the war remains elusive, with the situation in the Middle East escalating. The market will remain well supported by the news of Iran attacking a UAE oil port and ships in the Strait of Hormuz and the U.S. destroying six Iranian small boats and intercepting Iranian cruise missiles and drones fired by Iran. It remains to be seen whether the ceasefire will hold amid the recent escalation. The oil market is seen finding resistance at \$107.46, \$110.25, \$110.93, \$117.63 and \$119.48. Meanwhile, support is seen at \$99.11, \$98.72, \$98.42, \$96.24, \$94.95, \$94.59, \$92.68, \$92.30 and \$91.18.

Fundamental News: OPEC+ agreed to a modest oil output increase for June, an increase that will remain largely on paper as long as the Iran war continues to disrupt Gulf oil supplies through the Strait of Hormuz. In a statement following an online meeting on Sunday, OPEC+ said seven OPEC+ countries will raise oil output targets by 188,000 bpd in June, the third consecutive monthly increase. The increase is the same as that agreed for May minus the share of the United Arab Emirates, which left OPEC on May 1st. Saudi Arabia's quota will increase to 10.291 million bpd in June under the agreement, far above actual production. The kingdom reported actual production of 7.76 million bpd to OPEC in March.

Bloomberg reported that over the past nine weeks, more than 250 million barrels of crude from oil wells and storage tanks across the U.S. have been shipped overseas. It has made the country, once again, the No. 1 exporter of crude, overtaking Saudi Arabia, and turned it into a lifeline for global consumers as the near closure of the Strait of Hormuz cuts Middle Eastern supplies. However, record U.S. exports also come with warnings that this supply cushion is rapidly being pushed to its limits.

Goldman Sachs said global oil stocks are approaching their lowest level in eight years, warning that the speed of depletion was becoming a concern as supplies through the Strait of Hormuz remained restricted. The bank estimated total global oil stocks stood at 101 days of global demand and could fall to 98 days by the end of May. Goldman added that while total global stocks are "unlikely to hit minimum operational levels this summer, the speed of depletion and supply losses in some regions and products is concerning." The bank estimated that global commercial refined products stocks have drawn down from 50 days of global demand before the U.S.-Israeli war on Iran to 45 days of global demand now.

IIR Energy said U.S. oil refiners' capacity is expected to fall by 160,000 bpd in the week ending May 8th from the previous week, pushing their total offline refining capacity down to 729,000 bpd.

Early Market Call - as of 8:50 AM EDT

WTI - June \$103.30, down \$1.84
 RBOB - June \$3.6851, down 3.95 cents
 HO - June \$3.9986, down 4.72 cents

All NYMEX | Prior Settlements

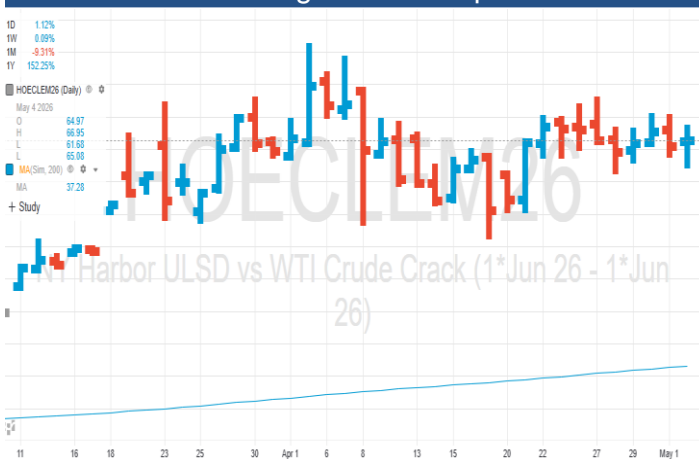
	ULSD (HO) Close	Prior Settle Change	Change In One Week
May-26	4.0732	0.1268	0.1922
Jun-26	3.9211	0.1384	0.2201
Jul-26	3.7715	0.1399	0.2247
Aug-26	3.6524	0.1349	0.2117
Sep-26	3.5479	0.1312	0.2002
Oct-26	3.4414	0.1278	0.1916
Nov-26	3.3343	0.124	0.1828
Dec-26	3.2616	0.1223	0.1729
Jan-27	3.1717	0.1006	0.1412
Feb-27	3.1112	0.1172	0.1482
Mar-27	3.0261	0.1131	0.1356
Apr-27	2.9619	0.1091	0.1263
May-27	2.9114	0.1051	0.1206
Jun-27	2.8842	0.1037	0.1198
Jul-27	3.8595	1.102	1.1176
Aug-27	2.8378	0.1005	0.1147
Sep-27	2.8182	0.0987	0.1131

Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	June Brent- WTI Spread \$8.02	\$106.4200	\$4.4800
Crude - Brent		\$114.4400	\$6.2700
Natural Gas		\$2.8670	\$0.0870
Gasoline		\$3.7382	\$0.0143

ICE July Brent-WTI Spread



June Heating Oil Crack Spread



June RBOB Crack Spread



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