



# MarketWatch | Refined Products

Wednesday, May 6, 2026

## Market Commentary

**Recap:** The oil market on Tuesday posted an inside trading day after posting an outside trading day on Monday, as a fragile truce between the U.S. and Iran was under strain after the two countries exchanged fire in the Gulf. The market was well supported by the U.S. and Iran continuing their standoff in the Strait of Hormuz as they both seek to control the waterway, with dueling maritime blockades. The crude market posted a high of \$105.48 before it started to retrace some of its previous gains. The market found some selling pressure as the U.S. assured the market that the ceasefire between the U.S. and Iran had not ended. The market sold off to a low of \$101.08 by mid-morning. The market later retraced some of its losses and settled in a sideways trading range during the remainder of the session. The June WTI contract ended the session down \$4.15 at \$102.27 and the July Brent contract settled down \$4.57 cents at \$109.87. The product markets ended the session lower, with the heating oil market settling down 4.3 cents at \$4.0302 and the RB market settling down 11.76 cents at \$3.6206.

**Technical Analysis:** The crude market on Wednesday will remain supported by the continuing standoff between the U.S. and Iran over the Strait of Hormuz. It will also remain supported in light of the draws expected in the weekly petroleum stocks reports. The oil market is seen finding support at \$101.08, \$99.11, \$98.72, \$98.42, \$96.24, \$94.95, \$94.59, \$92.68, \$92.30 and \$91.18. Meanwhile, resistance is seen at \$105.48, \$107.46, \$110.93, \$112.93, \$117.63 and \$119.48.

**Fundamental News:** Chevron's Chairman and CEO, Mike Wirth, said that physical shortages in oil supply would begin appearing around the world because of the closure of the Strait of Hormuz. He said economies will begin shrinking, first in Asia, as demand adjusts to reduced supply with the strait still closed because of the U.S.-Israeli war with Iran. He noted that surplus supply in commercial markets, tankers in so-called shadow fleets avoiding sanctions, and national strategic reserves were being absorbed. He said Asia is most heavily dependent on the Gulf's oil production and refineries, with Europe likely to be affected next. He also stated that the United States, a net exporter of crude, would be less affected than other parts of the globe, but eventually the effects would be felt there as well.

Bloomberg stated that with the Iran war now in its 10<sup>th</sup> week, supply shortfall is increasing and the chances of a quick resumption of normal output is declining. Many of the world's top traders have warned that, because a return to normal shipping through the Strait of Hormuz will take time, the oil market faces a guaranteed supply loss of around a billion barrels. Bloomberg stated that as the conflict continues, the supply shortfall increases, inventories are depleted and the point at which prices really start to destroy demand draws nearer.

Morgan Stanley said U.S. gasoline inventories are drawing down sharply, heading toward historical summer lows, as a collapse in imports and changes in refinery output cut supply. In their base case, analysts at the bank see U.S. gasoline inventories falling to around 198 million barrels by the end of August, below the trough reached during the 2022 energy shock and the lowest level for this time of year. Imports fell to an all-time weekly low in the week to April 10<sup>th</sup>, with May arrivals from Europe set to stay well below the typical 3-4 million barrels.

**Early Market Call - as of 8:50 AM EDT**  
**WTI - June \$94.73, down \$7.92**  
**RBOB - June \$3.4549, down 18.59 cents**  
**HO - June \$3.8277, down 24.9 cents**

## All NYMEX | Prior Settlements

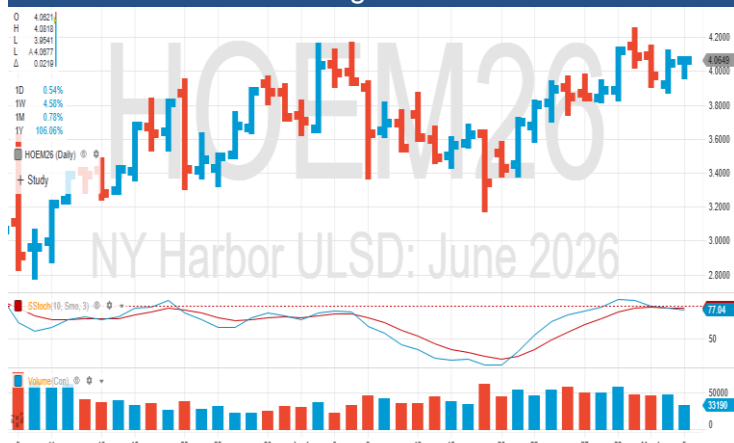
|        | ULSD (HO)<br>Close | Prior Settle<br>Change | Change In<br>One Week |
|--------|--------------------|------------------------|-----------------------|
| May-26 | \$4.0302           | -\$0.0430              | \$0.1375              |
| Jun-26 | \$3.8760           | -\$0.0451              | \$0.1448              |
| Jul-26 | \$3.7346           | -\$0.0369              | \$0.1546              |
| Aug-26 | \$3.6223           | -\$0.0301              | \$0.1565              |
| Sep-26 | \$3.5244           | -\$0.0235              | \$0.1596              |
| Oct-26 | \$3.4232           | -\$0.0182              | \$0.1629              |
| Nov-26 | \$3.3211           | -\$0.0132              | \$0.1661              |
| Dec-26 | \$3.2525           | -\$0.0091              | \$0.1643              |
| Jan-27 | \$3.1857           | -\$0.0060              | \$0.1586              |
| Feb-27 | \$3.1075           | -\$0.0037              | \$0.1501              |
| Mar-27 | \$3.0235           | -\$0.0026              | \$0.1404              |
| Apr-27 | \$2.9581           | -\$0.0038              | \$0.1322              |
| May-27 | \$2.9062           | -\$0.0052              | \$0.1258              |
| Jun-27 | \$2.8761           | -\$0.0081              | \$0.1221              |
| Jul-27 | \$2.8506           | -\$0.0089              | \$0.1196              |
| Aug-27 | \$2.8299           | -\$0.0079              | \$0.1181              |
| Sep-27 | \$2.8113           | -\$0.0069              | \$0.1175              |

| Sprague HeatCurve October 2026-April 2027 |                                      | Close      | Change    |
|---|--------------------------------------|------------|-----------|
| Crude - WTI                               | June Brent-<br>WTI Spread<br>\$11.80 | \$98.0700  | -\$3.4400 |
| Crude - Brent                             |                                      | \$109.8700 | -\$4.5700 |
| Natural Gas                               |                                      | \$2.7880   | -\$0.0790 |
| Gasoline                                  |                                      | \$3.6206   | -\$0.1176 |

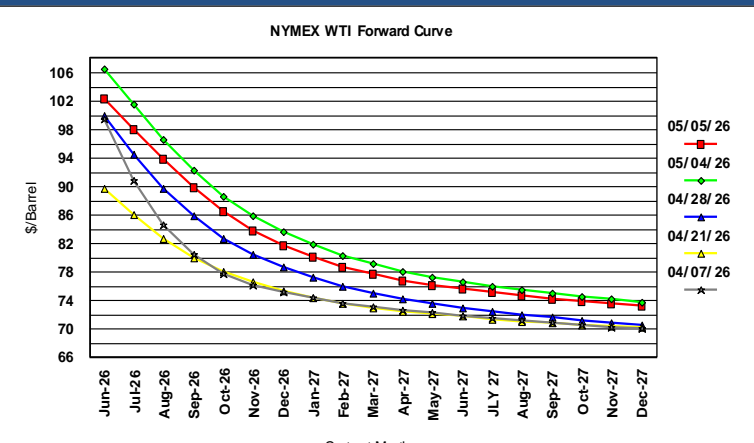
## API Report for the Week Ending May 1, 2025

|                           | Actual                   | Mkt Expectations         |
|---------------------------|--------------------------|--------------------------|
| Crude Oil Stocks(exl SPR) | Down 8.1 million barrels | Down 3.3 million barrels |
| Gasoline Stocks           | Down 6.1 million barrels | Down 2.1 million barrels |
| Distillate Stocks         | Down 4.6 million barrels | Down 2.4 million barrels |
| Refinery Runs             |                          | Up 0.6%, at 90.2%        |

## June Heating Oil



## WTI Forward Curve



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