



MarketWatch | Refined Products

Monday, May 18, 2026

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market on Friday traded higher after U.S. President Donald Trump said he is losing his patience with Iran, increasing concerns over the lack of progress on a peace deal. Following his two-day summit with China's President Xi Jinping, President Trump said they agreed that Iran cannot be allowed to have a nuclear weapon and must reopen the Strait of Hormuz. The oil market posted a low of \$101.48 on the opening and continued to trend higher in overnight trading. It extended its gains to over \$4.60 as it rallied to a high of \$105.78 in afternoon trading. However, the market erased some of its gains and settled in a sideways trading ahead of the close. The June WTI contract settled up \$4.25 at \$105.42 and later rallied to a new high of \$106.00 in the post settlement period. The July Brent contract settled up \$3.54 at \$109.26. The product markets ended the session higher, with the heating oil market settling up 14.78 cents at \$4.0534 and the RB market settling up 9.62 cents at \$3.7019.

Technical Analysis: The oil market will remain supported as the market turns its focus back on the stalemate in negotiations between the U.S. and Iran and the continuing blockade of the Strait of Hormuz. The rhetoric between the U.S. and Iran has again become more confrontational and hopes for a quick reopening of the Strait of Hormuz have faded, with President Trump stating he is running out of patience and Iran's Foreign Minister stating that Iran has no trust in the U.S. Also, while, recent reports of increasing numbers of vessels crossing the Strait of Hormuz may have a positive impact on sentiment, it does not have a major impact on the actual oil supply as the number of vessels traversing the waterway is still short of the usual 140 vessels that traveled through the waterway before the war started. The crude market is seen finding resistance at \$106.00, \$107.46 and \$110.93. Meanwhile, support is seen at \$101.48, \$99.39, \$98.00, \$97.94, \$96.13, \$94.78, \$93.82, \$89.85 and \$88.66.

Fundamental News: U.S. Energy Secretary, Chris Wright, said he believes China will become a bigger buyer of U.S. crude oil after the interruption of global energy supplies since U.S.-Israeli strikes on Iran. Separately, the U.S. Energy Secretary said the US will replenish every barrel of oil it releases from the Strategic Petroleum Reserve.

Bloomberg reported that the oil supply shock and price increase caused by the Iran war are expected to trigger the biggest impact to global demand growth since Covid. This week, the EIA said global oil demand will grow this year by 200,000 bpd, down from its prewar projection of 1.2 million bpd, while the IEA sees global oil demand falling by 420,000 bpd in 2026, compared with a forecast for 1.3 million bpd of growth before the start of the conflict. Signs of demand destruction were initially seen in Asia, with some countries declaring national emergencies or urging citizens to work from home to conserve fuel. However, in recent weeks, the effects have been felt more widely, with airlines in both the U.S. and Europe cutting thousands of flights. Meanwhile, the national average for gasoline prices is increasing to the record high seen in 2022 after Russia's full-scale invasion of Ukraine, with lower-income Americans already pulling back on purchases at the pump. TD Securities said that depleted inventories and tighter fuel markets could eventually cause a new increase in crude prices to \$150/barrel.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a fourth consecutive week for the first time since September 2025. The oil and gas rig count increased by three to 551 in the week ending May 15th, its highest level since late March. Baker Hughes said oil rigs increased by five to 415 this week, their highest level since November 2025, while gas rigs fell by one to 128, their lowest level since mid-April, and other miscellaneous rigs fell by one to 8.

IIR Energy said U.S. oil refiners are expected to shut in about 455,000 bpd of capacity in the week ending May 15th, increasing available refining capacity by 179,000 bpd from the previous week.

Early Market Call - as of 8:50 AM EDT

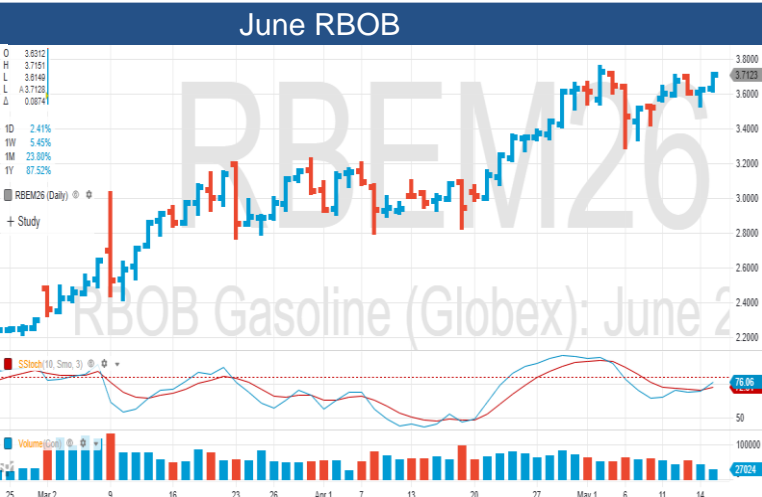
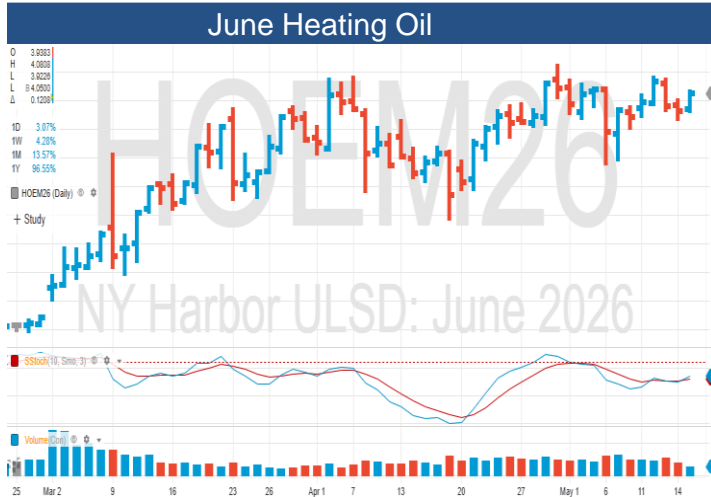
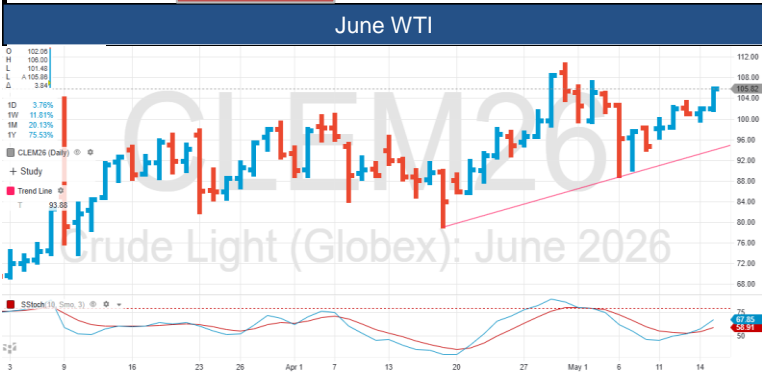
WTI - June \$103.34, down \$2.30

RBOB - June \$3.6806, down 2.47 cents

HO - June \$4.0452, up 25 points

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-26	4.0534	0.1478	0.1543
Jul-26	3.9212	0.1469	0.2206
Aug-26	3.7798	0.1298	0.2292
Sep-26	3.6648	0.1115	0.2062
Oct-26	3.5680	0.0946	0.1851
Nov-26	3.4655	0.0786	0.1631
Dec-26	3.3574	0.0632	0.1389
Jan-27	3.2784	0.0520	0.1176
Feb-27	3.2058	0.0431	0.1011
Mar-27	3.1234	0.0379	0.0875
Apr-27	3.0360	0.0339	0.0753
May-27	2.9678	0.0315	0.0665
Jun-27	2.9140	0.0308	0.0608
Jul-27	2.8812	0.0307	0.0574
Aug-27	2.8540	0.0302	0.0530
Sep-27	2.8321	0.0292	0.0473
Oct-27	2.8128	0.0269	0.0402

Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	July Brent-WTI Spread \$8.24	\$101.0200	\$4.1000
Crude - Brent		\$109.2600	\$3.5400
Natural Gas		\$2.9600	\$0.0660
Gasoline		\$3.7019	\$0.0962



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