

Market Commentary

Recap: The oil market on Wednesday fell 5.66% after U.S. President Donald Trump said that negotiations with Iran were in the final stages and news of increased tanker traffic in the Strait of Hormuz. The market posted a high of \$104.45 on the opening before it started to retrace some of its previous gains on the comment made by President Trump to lawmakers at the White House on Tuesday that the U.S. will end the war very quickly with Iran. This followed comments made by Vice President JD Vance, who stated that the U.S. and Iran made progress in talks. The crude market continued on its downward path despite threats made by Iran of spreading the war beyond the Middle East if the U.S. attacks again. The market was further pressured and extended its losses to over \$10.80 as it posted a low of \$96.94 in afternoon trading after President Trump said on Wednesday that negotiations with Iran were in the final stages while at the same time warning of further attacks unless Iran agreed to a deal. The market, which retraced more than 32% of its move from a low of \$86.13 to a high of \$105.21, later bounced off its low and settled in a sideways trading range amid the uncertainty and threats coming from both sides. The July WTI contract settled down \$5.89 at \$98.26 and the July Brent contract settled down \$6.26 at \$105.02. The product markets ended the session lower, with the heating oil market settling down 21.54 cents at \$3.9471 and the RB market settling down 20.88 cents at \$3.4874.

Technical Analysis: The crude market will continue to trade within its recent trading range amid the uncertainty over what will happen next. While President Trump has insisted that the war with Iran will end quickly, he has warned that the U.S. may need to deliver another major strike against Iran if a deal is not reached soon. He said the U.S. is willing to give Iran a few days to get the "right answer" from Iran. The oil market is seen finding support at \$96.94, \$95.67, \$95.12, \$94.68, \$93.42, \$93.13, \$92.84, \$90.25, \$86.76 and \$86.13. Meanwhile, resistance is seen at \$104.45, \$104.86, \$105.21, \$109.24, \$109.47, \$110.93, \$117.63 and \$119.48.

Fundamental News: Iranian Foreign Ministry spokesperson, Esmail Baghaei, said Iran is seeking to establish a mechanism with Oman to ensure sustainable security in the Strait of Hormuz. He said Iran was ready to develop protocols for safe shipping traffic in cooperation with other coastal states, without providing further details.

Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan, said the country appreciated U.S. President Donald Trump's decision to give negotiations with Iran additional time to reach an agreement. Earlier this week, President Trump said that Saudi Arabia, the UAE and Qatar had asked him to postpone a planned U.S. strike on Iran to allow more time for negotiations.

UAE ADNOC Chief Executive, Sultan Al Jaber, said the country had moved ahead in 2025 with plans for a new crude pipeline designed to bypass the Strait of Hormuz, and the project was now already 50% complete. He said global spare capacity is about 3 million bpd but added that it should be 5 million bpd.

IIR Energy said U.S. oil refiners are expected to shut in about 139,000 bpd of capacity in the week ending May 22nd, increasing available refining capacity by 516,000 bpd from the previous week. Offline capacity is expected to increase to 99,000 bpd in the week ending May 29th.

U.S. President Donald Trump said that Venezuelan oil is being shipped to U.S. refineries in Texas, Louisiana and Alaska.

Early Market Call - as of 9:25 AM EDT

WTI - July \$101.99, up \$2.91

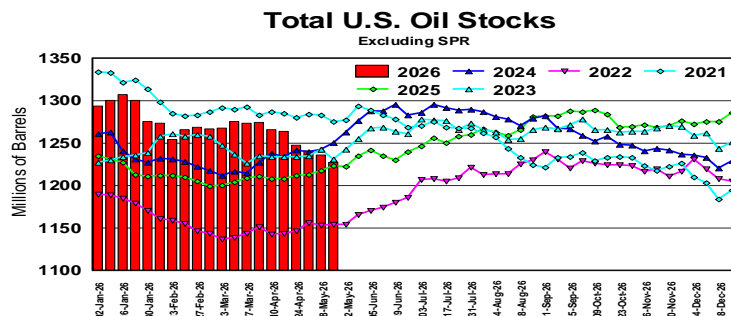
RBOB - June \$3.5467, up 5.32 cents

HO - June \$4.0286, up 7.39 cents

All NYMEX | Prior Settlements

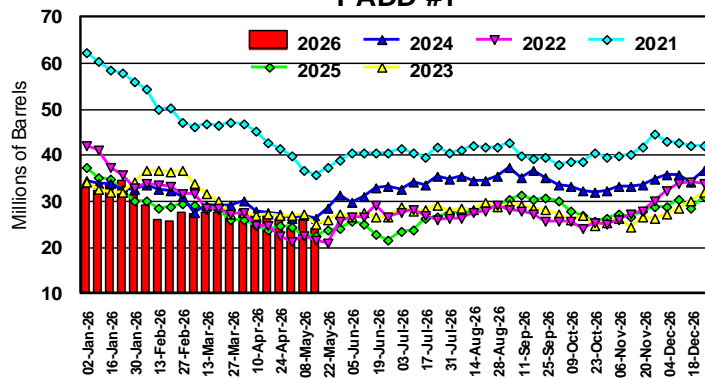
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-26	3.9471	-0.2154	-0.0196
Jul-26	3.8435	-0.2129	0.0294
Aug-26	3.7227	-0.1870	0.0432
Sep-26	3.6257	-0.1632	0.0466
Oct-26	3.5410	-0.1446	0.0425
Nov-26	3.4450	-0.1288	0.0327
Dec-26	3.3405	-0.1147	0.0204
Jan-27	3.2589	-0.1060	0.0041
Feb-27	3.1807	-0.1002	-0.0114
Mar-27	3.0949	-0.0945	-0.0201
Apr-27	3.0044	-0.0888	-0.0272
May-27	2.9349	-0.0828	-0.0311
Jun-27	2.8802	-0.0770	-0.0326
Jul-27	2.8472	-0.0720	-0.0316
Aug-27	2.8208	-0.0671	-0.0296
Sep-27	2.8014	-0.0627	-0.0275
Oct-27	2.7845	-0.0602	-0.0272

Sprague HeatCurve October 2026-April 2027		\$3.2525
	Close	Change
Crude - WTI	\$98.2600	-\$5.8900
Crude - Brent	\$105.0200	-\$6.2600
Natural Gas	\$3.0040	-\$0.1100
Gasoline	\$3.4874	-\$0.2088



Weekly EIA Petroleum Status Report for the Week Ending May 15, 2026

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 7.9 million barrels
 Cushing, OK Crude Stocks Down 1.6 million barrels
Gasoline Stocks Down 1.5 million barrels
Distillate Stocks Up 372,000 barrels
Refinery % Operated 91.6%, down 0.1%

PADD #1

Distillate Stocks (in million bbl)	Week Ending May 15, 2026	Week Ending May 8, 2026	Week Ending May 16, 2025
New England	3.3	3.2	3.1
Central Atlantic	11.9	12.8	11.1
Total PADD #1	24.0	25.8	22.6
Distillate Imports (thousands b/d)	125	192	76