MarketWatch | Refined Products

Wednesday, May 27, 2026

Market Commentary

Recap: The crude market settled lower on Tuesday after the market retraced some of it losses on the news that the U.S. military carried out strikes in Iran, adding to uncertainty on whether a peace deal will be imminently reached to end the war. The market gapped lower over the long Memorial Day weekend from $94.73 to $93.88 as optimism increased that the United States and Iran were moving closer to a peace deal that would reopen the Strait of Hormuz. On Monday, Iran's top negotiator and its Foreign Minister were in Doha for talks with Qatar's Prime Minister on a potential deal with the U.S. to end the war. Both sides said they made progress on a memorandum of understanding that would halt the war and give negotiators 60 days to reach a final deal. The crude market sold off to a low of $89.41 during Monday's shortened trading session in observance of Memorial Day. However, the market retraced its losses and started to backfill its gap as it traded to $94.70 by mid-day on Tuesday. The market was supported by U.S. Secretary of State Marco Rubio stating that negotiating a deal with Iran could "take a few days," cutting hopes for an imminent end to the conflict a day after U.S. forces conducted what Washington called defensive strikes in southern Iran. The oil market settled in a sideways trading range amid the continuing uncertainty. The July WTI contract ended the session down $2.71 at $93.89, while the July Brent contract settled up $3.44 at $99.58. The product markets ended the session lower, with the heating oil market settling down 17.32 cents at $3.7146 and the RB market settling down 23.34 cents at $3.2205.

Technical Analysis: The crude market will continue to trade within its recent trading range from about $86 to $105 amid the continuing uncertainty in the market on whether the U.S. will reach a peace deal with Iran. The market will weigh the continuing talks against the military strikes carried out in Iran and the continuing closure of the Strait of Hormuz. The oil market is seen finding support at $89.41, $86.76, $86.13, $84.28 and $82.52. Meanwhile, resistance is seen at its remaining gap from $94.70 to $94.73, $95.04, $95.45, $97.31, $99.17, $99.43, $102.66, $104.45, $104.86 and $105.21. Further upside is seen at $109.24, $109.47, $110.93, $117.63 and $119.48.

Fundamental News: U.S. President Donald Trump said he asked countries including the UAE, Qatar, Pakistan, Egypt and Jordan to sign onto the Abraham Accords as part of U.S. efforts to reach a deal with Iran. He said those countries would be honored to have Iran as part of the accords, a set of agreements to normalize relations with Israel.

The Nikkei newspaper reported, citing a Middle East diplomatic source, that the U.S. and Iran are discussing a plan to open the Strait of Hormuz about 30 days after the two countries reach a deal to end hostilities. Iran would proceed to clear mines from the strait during a 30-day window following an agreement, after which ships from all countries would be able to navigate freely and safely, and Iran would stop collecting transit fees. The ceasefire agreed in early April would be extended for 60 days, with the plan to hold talks on Iran's nuclear program during the two-month pause.

Iranian Supreme Leader Ayatollah Mojtaba Khamenei said that Gulf powers will no longer be a shield for United States bases and the U.S. will no longer have a safe haven in the region.

A source close to Tehran's negotiation team said around $24 billion of Iranian funds frozen overseas must be released under a memorandum of understanding being negotiated with the United States. Iran's top negotiator, Mohammad Baqr Qalibaf, had travelled to Qatar to reach agreement on a mechanism to implement this demand.

IIR Energy said U.S. oil refiners are expected to shut in about 178,000 bpd of capacity in the week ending May 29th, increasing available refining capacity by 50,000 bpd from the previous week. Offline capacity is expected to fall to 132,000 bpd in the week ending June 5 th.

Early Market Call - as of 8:30 AM EDT

WTI - July $88.39, down $5.18

RBOB - June $3.08, down 13.02 cents

HO - June $3.5497, down 15.18 cents

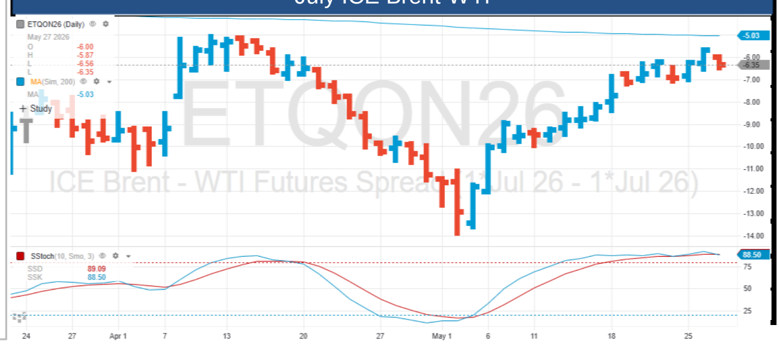
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jun-26	3.7146	-0.1732	-0.4479
Jul-26	3.6213	-0.1507	-0.4351
Aug-26	3.5361	-0.1228	-0.3736
Sep-26	3.4701	-0.1021	-0.3188
Oct-26	3.4119	-0.0855	-0.2737
Nov-26	3.3410	-0.0709	-0.2328
Dec-26	3.2609	-0.0579	-0.1943
Jan-27	3.2012	-0.0490	-0.1637
Feb-27	3.1431	-0.0411	-0.1378
Mar-27	3.0735	-0.0347	-0.1159
Apr-27	2.9973	-0.0293	-0.0959
May-27	2.9381	-0.0257	-0.0796
Jun-27	2.8909	-0.0234	-0.0663
Jul-27	2.8634	-0.0223	-0.0558
Aug-27	2.8423	-0.0192	-0.0456
Sep-27	2.8260	-0.0169	-0.0381
Oct-27	2.8125	-0.0148	-0.0322
Sprague HeatCurve October 2026-April 2027			**$3.1943**

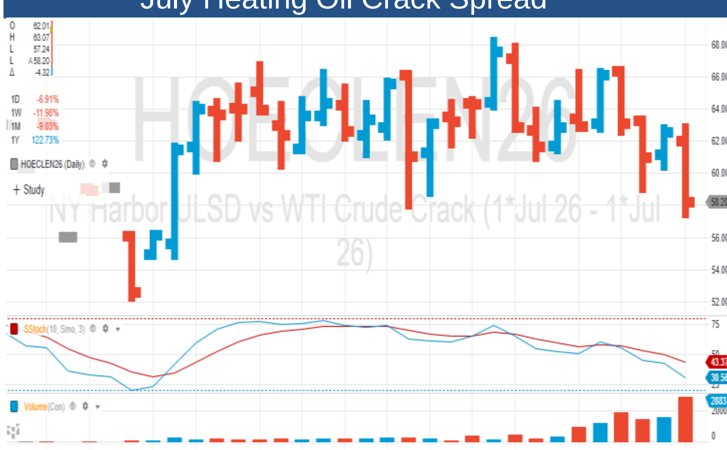
	Close	Change
Crude - WTI	$93.8900	-$2.7100
Crude - Brent	$99.5800	$3.4400
Natural Gas	$2.8940	-$0.0130
Gasoline	$3.2205	-$0.2334

July Brent-WTI Spread $5.69

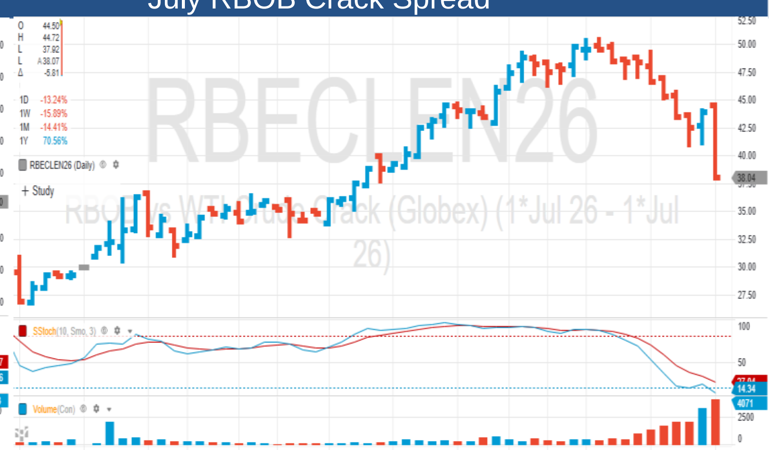
July ICE Brent-WTI



July Heating Oil Crack Spread



July RBOB Crack Spread



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