

Market Commentary

Recap: The crude market continued to trend lower on Friday as the market waited for a possible U.S.-Iran ceasefire deal. On Thursday, Axios reported the U.S. and Iran reached an agreement to extend a ceasefire for 60 days and lift restrictions on shipping through the Strait of Hormuz. Though at the time of writing this, U.S. President Donald Trump has yet to approve the deal and Iranian state media later stated that an agreement had not been finalized. Prices moved in positive and negative territory amid the conflicting signals over a possible end to the Iran war and potential reopening of the Strait of Hormuz. The oil market traded to a high of \$89.02 in overnight trading before it gave up its slight gains and sold off to a low of \$86.35 by mid-day, remaining in a downward trending channel. The market later settled in a sideways trading range during the remainder of the session. The July WTI contract ended the session down \$1.54 at \$87.36 and the July Brent settled down \$1.66 at \$92.05. The product markets settled lower, with the heating oil market settling down 8.14 cents at \$3.5373 and the RB market settling down 5.85 cents at \$3.1267.

Technical Analysis: The market will be driven by the latest news regarding a possible U.S.-Iran agreement. Traders are awaiting to hear U.S. President Donald Trump's final decision on whether the U.S. will accept a deal that would extend the ceasefire for another 60 days, allowing for more time to deal with issues such as Iran's nuclear program. The crude market is seen finding resistance at \$87.52, \$89.02, \$92.52, \$93.55, \$93.69, \$94.70 to \$94.73, \$95.78, \$98.01 and \$99.43. More distant upside is seen at \$102.66, \$104.45, \$104.86 and \$105.21. Meanwhile, support is seen at \$86.35, \$84.28, \$82.52-\$82.46, \$79.57 and \$77.22.

Fundamental News: The EIA reported that U.S. crude production was largely steady in March at 13.7 million bpd. It reported that U.S. crude and product supplied fell to 20.38 million bpd, its lowest level since November. The EIA reported that total oil demand in March increased by 2.2% or 433,000 bpd on the year to 20.383 million bpd. U.S. gasoline demand increased by 1% or 88,000 bpd on the year to 8.853 million bpd and U.S. distillate demand increased by 0.3% or 10,000 bpd on the year to 3.904 million bpd.

Bloomberg reported that the U.S. oil system is showing its first signs of noticeable strain as its exports help plug the supply gap created by the near-closure of the Strait of Hormuz. The latest data show American shipments fell to their lowest level in almost two months as declining inventories and increasing demand from domestic refineries limited the amount of spare crude that could be sent overseas. The EIA reported that U.S. crude oil exports fell to 4.043 million bpd, down from 4.345 million bpd in February.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a sixth straight week, for the first time since May 2022. The oil and gas rig count increased by four to 562 in the week ending May 29th, its highest since May 2025. Baker Hughes said oil rigs increased by four to 429 this week, their highest level since June 2025, while gas rigs held steady at 125 and other miscellaneous rigs held steady at eight.

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IIR Energy said U.S. oil refiners are expected to shut in about 237,000 bpd of capacity in the week ending May 29th, decreasing available refining capacity by 9,000 bpd from the previous week. Offline capacity is expected to fall to 138,000 bpd in the week ending June 5th.

Early Market Call - as of 8:30 AM EDT

WTI - July \$89.90, up \$2.14

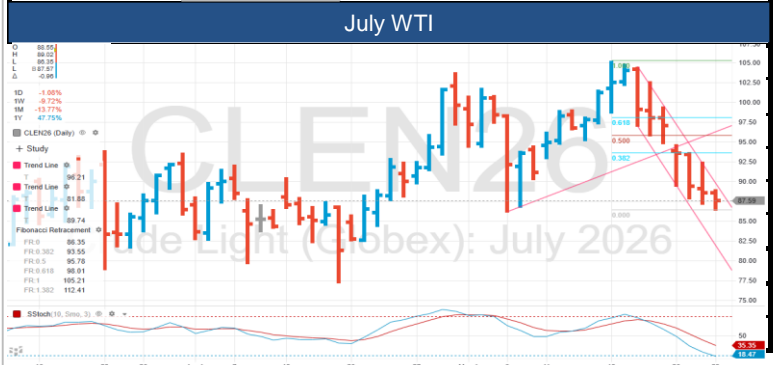
RBOB - July \$3.0876, up 4.07 cents

HO - July \$3.5875, up 7.46 cents

All NYMEX | Prior Settlements

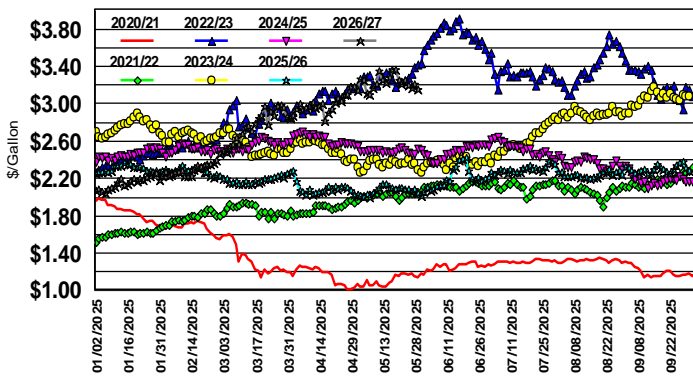
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jun-26	3.5373	-0.0814	-0.3505
Jul-26	3.4886	-0.0635	-0.2834
Aug-26	3.4335	-0.0497	-0.2254
Sep-26	3.3905	-0.0457	-0.1817
Oct-26	3.3459	-0.0484	-0.1515
Nov-26	3.2848	-0.0522	-0.1271
Dec-26	3.2136	-0.0549	-0.1052
Jan-27	3.1606	-0.0555	-0.0896
Feb-27	3.1062	-0.0561	-0.0780
Mar-27	3.0411	-0.0552	-0.0671
Apr-27	2.9702	-0.0532	-0.0564
May-27	2.9171	-0.0503	-0.0467
Jun-27	2.8755	-0.0468	-0.0388
Jul-27	2.8523	-0.0453	-0.0334
Aug-27	2.8354	-0.0418	-0.0261
Sep-27	2.8235	-0.0385	-0.0194
Oct-27	2.8150	-0.0349	-0.0123

Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	July Brent-WTI Spread \$4.69	\$87.3600	-\$1.5400
Crude - Brent		\$92.0500	-\$1.6600
Natural Gas		\$3.2900	\$0.0050
Gasoline		\$3.1267	-\$0.0585



Sprague HeatCurve

Sprague HeatCurve October-April



July Heating Oil

