MarketWatch | Refined Products

Thursday, June 18, 2026

Market Commentary

Recap: The oil market ended the session higher after the market weighed the uncertainty over the U.S.-Iran deal and concerns over the IEA's warning of excess supply next year. The crude market traded mostly sideways in overnight trading before it sold off to a low of $74.59 following the release of an IEA report. In its latest report, the IEA said the oil market will enter a significant supply overhang, with global supply set to increase by 8 million bpd and demand increasing by just 2 million bpd. The market later bounced off its low and traded to a high of $80.03 by mid-morning after U.S. President Donald Trump threatened to resume bombing Iran if he did not like the memorandum of understanding of if Iran did not "behave". The market was also well supported by the EIA report showing a large draw of over 7 million barrels in crude stocks. However, the market gave up its gains and traded back towards its lows during the remainder of the session. The July WTI contract settled up 74 cents at $76.79 and the August Brent contract settled up 59 cents at $79.55. The product markets settled higher, with the heating oil market settling up 2.44 cents at $3.1946 and the RB market settling up 2.91 cents at $2.9096.

Technical Analysis: The crude market will likely remain range bound as it awaits for the U.S. and Iran to sign the memorandum of understanding on Friday. The market will weigh any concerns over the peace agreement against the IEA's report warning of excess supply next year. The oil market is seen finding support at $74.59, $71.64, $71.50, $70.56, $69.14, $68.28, $67.76 to $66.84. Meanwhile, resistance is seen at $80.03, $81.58, $82.42 to $83.20, $83.81, $86.33, $87.23, $88.85, $90.55 and $93.64.

Fundamental News: The International Energy Agency said in its monthly oil market report that the world oil market will recover gradually from the closure of the Strait of Hormuz before tipping into a significant surplus in 2027. The U.S. and Iran reached an agreement to end the war, which includes Iran reopening the Strait of Hormuz and the U.S. lifting its naval blockade, potentially bringing an end to the largest oil supply disruption in history which shut in over 14 million bpd of Middle East oil output. It said if the deal holds, exports and production from the Gulf should see a gradual recovery. The IEA said the oil market will then enter a significant supply overhang next year, with global oil supply set to increase by 8 million bpd and demand increasing by just 2 million bpd. The IEA said this may provide the market an opportunity to replenish depleted inventories or to build new strategic reserves as countries review their energy strategies. The IEA said flows through the strait were already increasing by early June because of an increase in ship-to-ship transfers in the Gulf of Oman, helping to increase total Middle East flows to around 12 million bpd in early June from a May low of 9.6 million bpd. The IEA forecasts oil supply to fall by 3.9 million bpd in 2026, as production losses in the Middle East outpace increasing output from the Americas. Global oil demand will fall by 1.1 million bpd this year according to the IEA, after a 5 million bpd April-June decline. The IEA said demand destruction has spread beyond the areas that were initially most impacted by the Iran war, with deliveries of all major fuels and especially gasoil "showing signs of strain across almost all regions". Demand will then recover swiftly and grow next year, as falling oil prices and an improving economic outlook drive the rebound.

IIR Energy said U.S. oil refiners are expected to shut in about 114,000 bpd of capacity in the week ending June 19th, increasing available refining capacity by 31,000 bpd on the week. Offline capacity is expected to increase to 169,000 bpd in the week ending June 26th.

The Federal Reserve held the benchmark interest rate steady on Wednesday and policymakers expect an increase in borrowing costs later this year amid growing concerns about inflation remaining above the U.S. central bank's 2% target. New quarterly projections showed nine Fed officials now anticipate a rate hike by the end of 2026, and an updated policy statement removed language that had been used to flag the likelihood of further reductions in borrowing costs in 2026.

Early Market Call - as of 9:10 AM EDT

WTI - July $74.37, down $1.28

RBOB - July $2.9023, down 32 points

HO - July $3.0956, down 6.92 cents

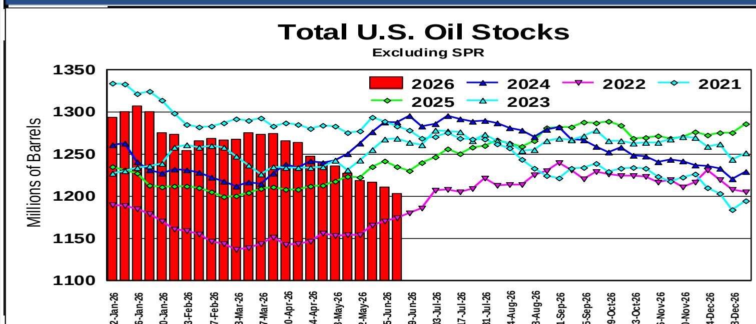
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-26	3.1946	0.0244	-0.4180
Aug-26	3.1438	0.0167	-0.4350
Sep-26	3.1132	0.0102	-0.4332
Oct-26	3.0816	0.0039	-0.4218
Nov-26	3.0409	-0.0016	-0.4037
Dec-26	2.9929	-0.0064	-0.3817
Jan-27	2.9637	-0.0072	-0.3616
Feb-27	2.9356	-0.0080	-0.3395
Mar-27	2.8976	-0.0080	-0.3151
Apr-27	2.8532	-0.0079	-0.2894
May-27	2.8218	-0.0075	-0.2673
Jun-27	2.7971	-0.0069	-0.2485
Jul-27	2.7864	-0.0063	-0.2322
Aug-27	2.7776	-0.0054	-0.2180
Sep-27	2.7711	-0.0038	-0.2052
Oct-27	2.7645	-0.0026	-0.1929
Nov-27	2.7528	-0.0009	-0.1823

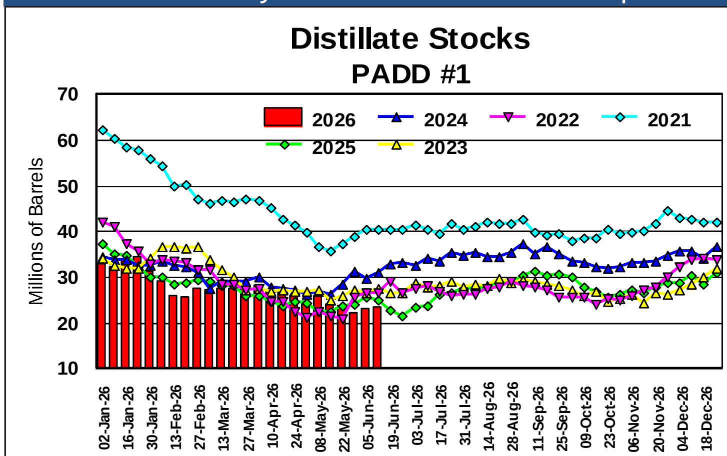
Sprague HeatCurve October 2026-April 2027 **$2.9610**

	Close	Change
Crude - WTI	$76.0100	$0.7400
Crude - Brent	$79.5500	$0.5900
Natural Gas	$3.1450	-$0.0940
Gasoline	$2.9096	$0.0291

Aug Brent-WTI Spread $3.54



Weekly EIA Petroleum Status Report for the Week Ending June 12, 2026



Overall U.S. Stat

Crude Oil Stocks(excluding SPR) Down 8.3 million barrels

Cushing, OK Crude Stocks Down 1.61 million barrels

Gasoline Stocks Down 906,000 barrels

Distillate Stocks Up 951,000 barrels

Refinery % Operated 96.7%, up 1.4%

PADD #1

Distillate Stocks (in million bbl)	Week Ending June 12, 2026	Week Ending June 5, 2026	Week Ending June 13, 2025
New England	2.9	2.7	3.1
Central Atlantic	10.3	10.6	11.9
Total PADD #1	23.5	23.1	25.1
Distillate Imports (thousands b/d)	103	120	119