MarketWatch | Refined Products

Tuesday, July 21, 2026

Market Commentary

Recap: The oil market traded higher on Monday amid the escalating tensions in the Middle East. The market weighed hopes of renewed U.S.-Iran negotiations against the news that Yemen's Houthis declared a naval blockade against Saudi Arabia. The crude market gapped higher on Sunday evening from $82.76 to $83.76 as the U.S. conducted its ninth consecutive night of attacks against Iran on Sunday and Iran struck U.S. allies Kuwait and Bahrain in retaliation, attacking desalination plants. The market posted a high of $85.39. However, the market erased some of its gains and backfilled its opening gap as it traded to a low of $80.27 as Iran's Foreign Ministry said negotiations with the U.S. could be pursued based on national interests. The oil market later retraced some of its losses as Yemen's Houthis said it will impose a maritime blockade on Saudi Arabia. The August WTI contract settled up 74 cents at $83.23 and the September Brent contract settled up $1.12 at $89.22. The product markets ended the session in mixed territory, with the heating oil market settling up 5.44 cents at $4.1190 and the RB market settling down 37 points at $3.3890.

Technical Analysis: The market on Tuesday will likely remain supported by the Houthis threat of a maritime blockade of Saudi Arabia. While it is not clear how the Houthis would carry out their threat or whether it would include a return to attacks on shipping, closing the Bab el-Mandeb Strait would impact Saudi Arabia's oil exports as the Red Sea has become a critical alternative route to the Strait of Hormuz. The market will look to see whether the U.S. and Iran resume their negotiations as both countries have signaled that a return to negotiations has not been ruled out. The crude market is seen finding resistance at $85.39, $85.61, $91.62, $92.73 and $93.42. Meanwhile, support is seen at $80.27, $78.61, $78.58, $78.19, $77.84, $72.61 and $70.77.

Fundamental News: According to the Department of Energy, crude oil stocks in the U.S. Strategic Petroleum Reserve fell by about 5.1 million barrels to 311.4 million barrels last week, the lowest level since March 1983. The drawdowns are part of a U.S. agreement to release 172 million barrels from the facility. Since the U.S.-Israeli war on Iran began at the end of February, SPR inventories have fallen by 104.04 million barrels as of July 17th. Overall U.S. inventories, including commercial and SPR stocks, have fallen by 129 million barrels to 726.2 million barrels as of July 10th, the lowest level since 1984.

U.S. gasoline pump prices crossed the $4/gallon mark on Monday as renewed hostilities between the U.S. and Iran further disrupt energy flows through the Strait of Hormuz. National average retail gasoline prices have increased more than 30% since the U.S. and Israel attacked Iran at the end of February. According to data from the American Automobile Association, the average pump price on Monday was $4.0030/gallon.

In preparation for Tropical Depression Two, Chevron is shutting-in production at its Petronius facility in the Gulf of Mexico and all associated personnel are being moved onshore. The company also said it is transporting nonessential personnel from its Tubular bells and Blind Faith platforms.

IIR Energy said U.S. oil refiners are expected to shut in about 244,000 bpd of capacity in week ending July 24th. Offline capacity is expected to decrease to 221,000 bpd in the week ending July 31st.

Early Market Call - as of 9:00 AM EDT
WTI - Aug $85.20, up $2.24
RBOB - Aug $3.4167, up 2.16 cents
HO - Aug $4.1292, up 1.99 cents

All NYMEX | Prior Settlements

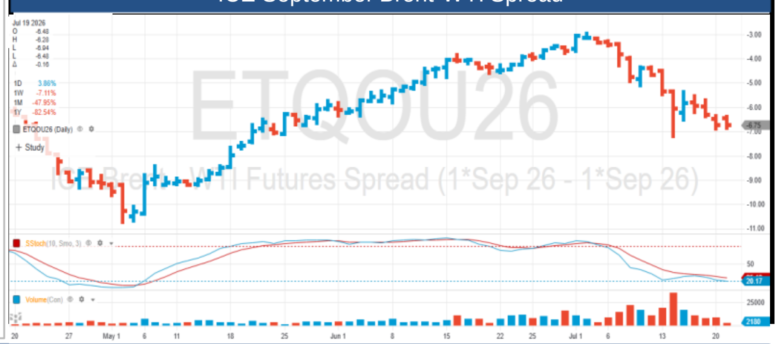
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-26	4.1190	0.0544	0.2954
Sep-26	3.9946	0.0577	0.2781
Oct-26	3.8520	0.0513	0.2451
Nov-26	3.7014	0.0419	0.2089
Dec-26	3.5451	0.0309	0.1690
Jan-27	3.4461	0.0264	0.1445
Feb-27	3.3653	0.0233	0.1286
Mar-27	3.2766	0.0207	0.1153
Apr-27	3.1822	0.0184	0.1017
May-27	3.1098	0.0172	0.0905
Jun-27	3.0525	0.0169	0.0821
Jul-27	3.0167	0.0166	0.0764
Aug-27	2.9876	0.0169	0.0729
Sep-27	2.9628	0.0171	0.0701
Oct-27	2.9385	0.0177	0.0683
Nov-27	2.9079	0.0175	0.0647
Dec-27	2.8758	0.0172	0.0612

Sprague HeatCurve October 2026-April 2027 **$3.4575**

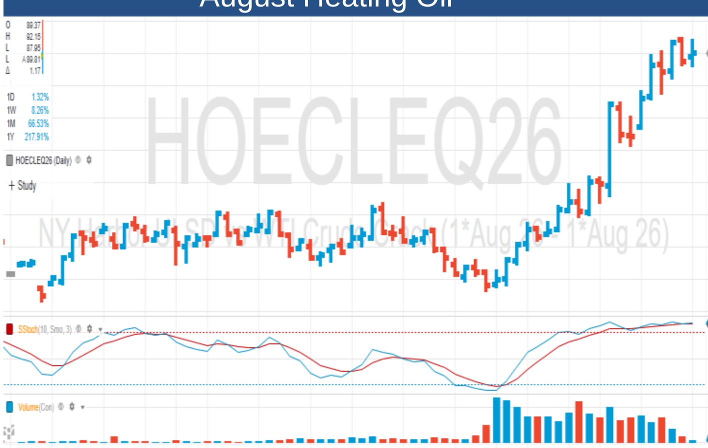
	Close	Change
Crude - WTI	$82.4800	$0.7000
Crude - Brent	$89.2200	$1.1200
Natural Gas	$2.8600	-$0.0510
Gasoline	$3.3890	-$0.0037

Sep Brent-WTI Spread $6.74

ICE September Brent-WTI Spread



August Heating Oil



August RBOB