MarketWatch | Refined Products

Wednesday, August 26, 2026

Market Commentary

Recap: The oil market on Tuesday fell as traders shrugged off the latest news of U.S. sanctions against Iran. While U.S. Treasury Secretary Scott Bessent announced sanctions measures, he declined to identify the countries that would be targeted or say when penalties would take effect, adding he would give them time to comply with the new directives. The market was also pressured by news that Oman and Iran have agreed on a proposed framework to resume safe navigation through the Strait of Hormuz that includes establishing a joint temporary shipping lane and a project to demine the waterway, raising the possibility of oil flows increasing through the waterway. The crude market posted a high of $85.84 in overnight trading before it started on its downward trend. It retraced more than 32% of its move from a low of $73.10 to a high of $87.69 as it sold off to a low of $81.54 by mid-day. The market later bounced off its low and settled in a sideways trading range during the remainder of the session. The October WTI contract ended the session down $2.65 at $82.36 and the October Brent contract settled down $3.59 at $88.58. The product markets settled lower, with the heating oil market settling down 2.39 cents at $4.2438 and the RB market settling down 1.79 cents at $3.2529.

Technical Analysis: The crude market on Wednesday will likely retrace some of its losses and trade in its recent trading range as it weighs the news of Oman and Iran reaching an agreement on a framework to resume navigation through the Strait of Hormuz against Iran's promise to retaliate against the U.S. sanctions. The oil market is seen finding support at $81.54, $80.80, $80.39, $79.91, $79.31, $78.67 and $76.80. Meanwhile, resistance is seen at $85.84, $86.57, $87.51, $87.69, $88.07, $88.54, $90.14, $90.65, $91.09 and $91.27.

Fundamental News: U.S. President Donald Trump said that all mines had been detonated or removed from international waters of the Strait of Hormuz and that Iran has been told that any ship or boat placing new mines will be destroyed.

Iran pledged to fight back against expanded U.S. sanctions aimed at isolating its economy, expressing confidence that major trading partners would resist the U.S. pressure campaign. On Monday, U.S. Treasury Secretary Scott Bessent announced the measures but stopped short of the most punishing sanctions. While he said countries that continued trading with Iran risked being forced out of the dollar-based financial system, he declined to give a timeline or identify which may be targeted, saying he would give them time to comply with the new directive. The Treasury Department did announce new sanctions on 60 individuals, entities and vessels, but the list did not feature any of the Chinese financial institutions suspected of facilitating Iran's oil trade. On Tuesday, China said that its cooperation with Iran is conducted within the framework of international law and should not be interfered with or disrupted.

Oman and Iran have agreed on a proposed framework to resume safe navigation through the Strait of Hormuz that includes establishing a joint temporary shipping lane and a project to demine the waterway. Oman's Foreign Minister arrived in Iran earlier on Tuesday for talks with his Iranian counterpart on future arrangements for the strait.

According to provisional tracking from shiptracker Vortexa, oil transits through the Strait of Hormuz were at 5 million bpd on Monday, down from more than 20 million per day before the war or about one of every five barrels consumed worldwide.

Early Market Call - as of 8:40 AM EDT
WTI - Sep $80.30, down 79 cents
RBOB - Sep $3.2444, up 2.87 cents
HO - Sep $4.1444, down 1.56 cents

All NYMEX | Prior Settlements

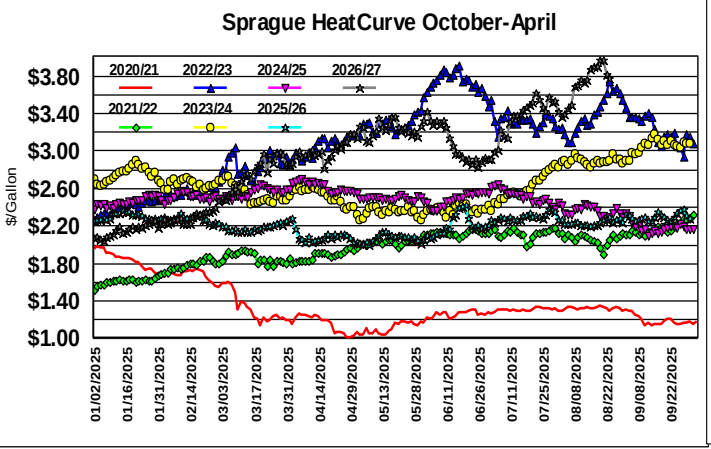
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-26	$4.2438	-$0.0239	-$0.0391
Sep-26	$4.1409	-$0.0325	-$0.0238
Oct-26	$4.0115	-$0.0383	-$0.0155
Nov-26	$3.8728	-$0.0410	$0.0047
Dec-26	$3.7733	-$0.0394	$0.0186
Jan-27	$3.6820	-$0.0372	$0.0276
Feb-27	$3.5781	-$0.0346	$0.0352
Mar-27	$3.4647	-$0.0319	$0.0398
Apr-27	$3.3730	-$0.0293	$0.0423
May-27	$3.2991	-$0.0266	$0.0439
Jun-27	$3.2514	-$0.0240	$0.0452
Jul-27	$3.2128	-$0.0222	$0.0459
Aug-27	$3.1814	-$0.0212	$0.0451
Sep-27	$3.1519	-$0.0201	$0.0431
Oct-27	$3.1175	-$0.0187	$0.0401
Nov-27	$3.0796	-$0.0175	$0.0360
Dec-27	$3.0500	-$0.0169	$0.0322
Sprague HeatCurve October 2026-April 2027			**$3.7701**

		Close	Change
Crude - WTI	**Oct Brent-WTI Spread $6.22**	$82.3600	-$2.6500
Crude - Brent		$88.5800	-$3.5900
Natural Gas		$2.7700	-$0.0120
Gasoline		$3.2529	-$0.0179

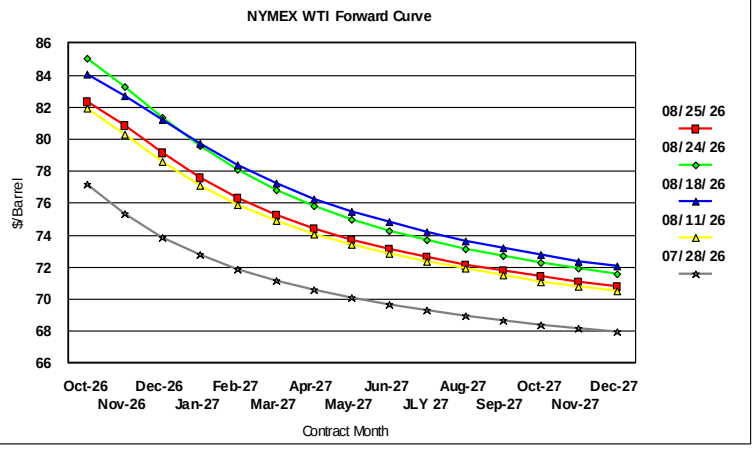
API Report for the Week Ending August 21, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.2 million barrels	Up 600,000 barrels
Gasoline Stocks	Down 3.2 million barrels	Down 700,000 barrels
Distillate Stocks	Down 459,000 barrels	Down 1.6 million barrels
Refinery Runs		Down 0.2% at 97%

Sprague HeatCurve



WTI Forward Curve



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