MarketWatch | Refined Products

Thursday, September 3, 2026

Market Commentary

Recap: The crude market on Wednesday ended the session higher as traders weighed the risks of supply disruptions following overnight strikes by the U.S. and Iran against signs that crude supplies continue to flow through the Strait of Hormuz. The U.S. military said it struck air defenses, radar systems, maritime assets, mine-laying capabilities and communications sites on Tuesday. Iran responded by striking what it said were U.S. assets in Bahrain, Jordan, Kuwait and Iraq, and said its aim was now to drive U.S. forces from the network of military bases they have occupied across the Middle East. The crude market continued to trend higher in overnight trading as it rallied to a high of $92.29. However, the market erased its gains after U.S. Energy Secretary, Chris Wright, said that more than 17 million barrels of oil flowed through the Strait of Hormuz on Monday. The market sold off more than $3 from its high to the a low of $88.97 on the U.S. Energy Secretary's comments ahead of the release of the EIA's weekly oil stocks report. The market later bounced off its low and retraced some of its losses in light of the EIA report showing a large draw of 4.5 million barrels in crude stocks in the week ending August 28th. The October WTI contract settled up 79 cents at $91.01 and the November Brent contract settled up 98 cents at $95.63. The product markets ended the session in mixed territory, with the heating oil market settling up 49 points at $4.6822 and the RB market settling down 3.13 cents at $3.1038.

Technical Analysis: The oil market is seen continuing on its upward trend in light of the renewed military strikes between the U.S. and Iran. The crude market is seen finding resistance at $92.29, $92.83, $93.50, $93.64, $95.47, $95.91 and $97.00. Meanwhile, support is seen at $88.97, $86.13, $84.11 to $83.78, $82.25, $80.65 and $79.62.

Fundamental News: U.S. Secretary of Energy Chris Wright said that 17 million barrels of oil transited the Strait of Hormuz on Monday, saying it marked the highest level of crude oil to pass through the waterway since the Iran war had reduced flows.

Preliminary shipping data showed that four commodity vessels transited the Strait of Hormuz on Tuesday, down from ten a day earlier and below the 10-day average of around 13 on Wednesday. Initial data from shiptracker Kpler showed that the four vessels that transited were one very large crude carrier, one Panamax tanker, one Kamsarmax carrier and one intermediate tanker. Meanwhile, 18 commodity vessels transited through the Bab el-Mandeb Strait on Tuesday, with seven vessels entering and 11 exiting. This compares with an average of around 24 ships going through Bab el-Mandeb over the past 10 days. Among the vessels travelling through the strait were two Aframax tankers and one Suezmax tanker.

IIR Energy said U.S. oil refiners are expected to shut in about 35,000 bpd of capacity in the week ending September 4th, decreasing available refining capacity by 11,000 bpd. Offline capacity is expected to increase to 238,000 bpd in the week ending September 11th.

Valero Energy Corp's 385,000 bpd Port Arthur, Texas, refinery was hit by a partial power outage on Tuesday night following the passage of Tropical Storm Edouard. The refinery's AVU-147 crude distillation unit was shut by the power outage on the south side of the plant and the AVU-146 crude distillation unit was operating at the minimum crude processing level.

According to a Texas Commission on Environmental Quality filing, Motiva's 656,400 bpd Port Arthur, Texas refinery experienced an unexpected interruption and shutdown of several critical pieces of equipment on September 1st, caused by severe weather during Tropical Storm Edouard. The filing added that the facility took immediate action to stabilize affected process units and minimize flaring and emissions to the extent practicable.

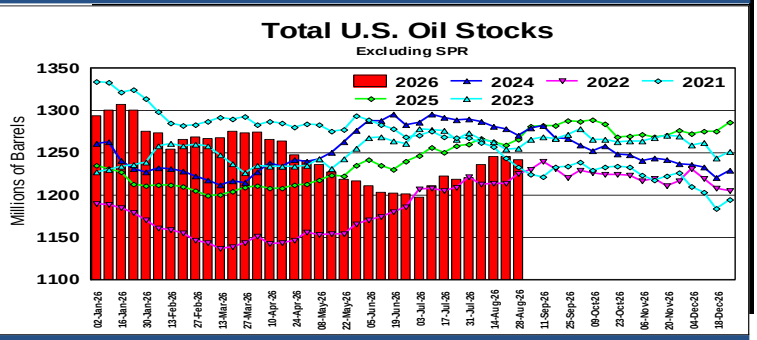
LyondellBasell said a minor fire occurred within the operating area at its La Porte, Texas complex. The company later issued an all-clear for the incident in a separate alert.

Early Market Call - as of 8:35 AM EDT
WTI - Oct $92.31, up $1.30
RBOB - Sep $3.1110, up 72 points
HO - Sep $4.6675, down 1.47 cents

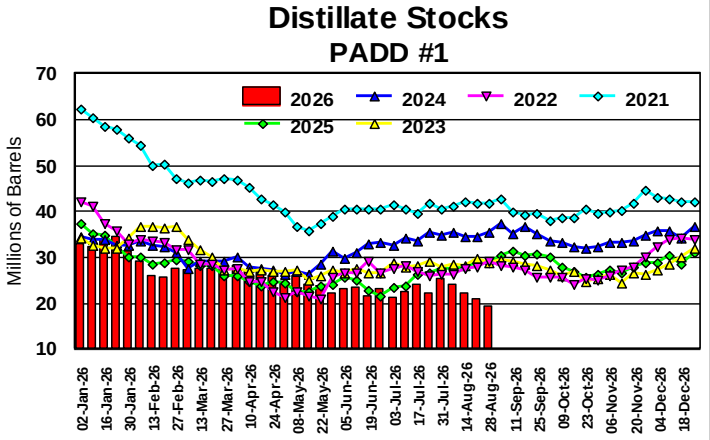
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-26	4.6822	0.0049	0.5369
Nov-26	4.4951	-0.0103	0.4866
Dec-26	4.2959	-0.0126	0.4383
Jan-27	4.1529	-0.0117	0.3996
Feb-27	4.0272	-0.0129	0.3665
Mar-27	3.8932	-0.0143	0.3353
Apr-27	3.7531	-0.0145	0.3066
May-27	3.6384	-0.0155	0.2813
Jun-27	3.5443	-0.0166	0.2591
Jul-27	3.4813	-0.0180	0.2420
Aug-27	3.4313	-0.0190	0.2291
Sep-27	3.3908	-0.0203	0.2187
Oct-27	3.3528	-0.0211	0.2091
Nov-27	3.3095	-0.0215	0.1996
Dec-27	3.2627	-0.0219	0.1895
Jan-27	3.2252	-0.0223	0.1812
Feb-27	3.1879	-0.0223	0.1741
Sprague HeatCurve October 2026-April 2027			**$4.1565**

		Close	Change
Crude - WTI	**Oct Brent-WTI Spread $4.62**	$91.0100	$0.7900
Crude - Brent		$95.6300	$0.9800
Natural Gas		$2.9560	$0.0520
Gasoline		$3.1038	-$0.0313



Weekly EIA Petroleum Status Report for the Week Ending August 28, 2026



Overall U.S. Stat

Crude Oil Stocks(excluding SPR) Down 4.5 million barrels
Cushing, OK Crude Stocks Up 80,000 barrels
Gasoline Stocks Down 1.2 million barrels
Distillate Stocks Up 796,000 barrels
Refinery % Operated 98%, up 0.6%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Aug 28, 2026	Week Ending Aug 21, 2026	Week Ending Aug 29, 2025
New England	2.3	2.4	3.6
Central Atlantic	10.3	10.4	14.0
Total PADD #1	19.3	21.0	28.7
Distillate Imports (thousands b/d)	49	133	47

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