MarketWatch | Refined Products

Friday, September 11, 2026

Market Commentary

Recap: The oil market surged higher on Thursday amid the intensifying conflict in the Middle East. The WTI crude market breached the $100 level for the first time since May 21st following the news that Iran-aligned Houthis seized control of Yemen's port of Mocha on Thursday, increasing a threat to oil flows through the Red Sea as they gain further leverage over the Bab el-Mandab Strait. The crude market posted a low of $95.37 in overnight trading before it continued on its upward trend and extended its gains to over $7.01 as it posted a high of $103.06 ahead of the close. The October WTI contract settled up $6.43 at $102.48 and later continued to trade higher, posting a new high of $103.12 in the post settlement period. The November Brent contract settled up $6.42 at $107.63. Meanwhile, the product markets were well supported, with heating oil market settling up 25.65 cents at $5.0575 and the RB market settling up 18.26 cents at $3.3932.

Technical Analysis: The crude market will remain well supported as the conflict in the Middle East continues to intensify. The war is expected to last longer than previously expected, with U.S. President Donald Trump stating that the war would likely last beyond the November midterm elections. President Trump also warned that the U.S. may hit Iran's Pickaxe Mountain, which is located near Iran's Natanz uranium enrichment facility. The market is seen finding resistance at $103.13, $104.45 to $106.76, $109.24, $109.47 and $110.93. Meanwhile, support is seen at $95.37, $93.76, $92.77, $90.87, $90.26, $88.72 and $87.75.

Fundamental News: OPEC lowered its forecast for world oil demand growth in 2026 to 380,000 bpd, marking the fifth consecutive downward revision. It is down from a previous estimate of 580,000 bpd. It however raised its 2027 global oil demand growth forecast to 2.36 million bpd from a previous estimate of 2.16 million bpd. OPEC said OPEC+ crude output, including former member UAE, averaged 38.05 million bpd in August, up about 300,000 bpd on the month.

Bloomberg reported that while oil prices have rallied once again over $100/barrel, China's demand may not decline as it previously did. It reported that China's refiners returned to the global oil market and are processing greater volumes of crude and buying cargoes everywhere from Russia to Argentina, undeterred by increasing premiums for some grades. It said Beijing may not be able to restrain prices by disappearing from the market a second time. The refiners that cut their run rates and drew down inventories earlier in the year are not able to do so indefinitely. Bloomberg also noted that it is unclear whether Chinese authorities would be willing to reimpose curbs on fuel exports, which previously played such a big role in reducing the country's crude imports.

OPEC's oil output fell in August, as Saudi exports faced new disruption due to the war in Iran and a U.S. blockade cut Iran's shipments. According to Reuters, OPEC's crude production fell by 640,000 bpd month-on-month to 19.71 million bpd.

Preliminary shiptracking data showed vessel transits at the Strait of Hormuz fell slightly on Wednesday to seven, compared with the previous day's 12, with levels also lower than the 10-day average of 14. Out of these seven, four vessels exited and three entered. Of the exits, one was a very large crude carrier called Finland Prosperity, carrying nearly 2 million barrels of crude. At the Bab el-Mandeb Strait, some 28 commodity ships transited on Wednesday, a level similar to the 10-day average of 27. Of the total, 16 ships entered and 12 exited.

According to price tracker GasBuddy, the U.S. national average price of diesel surpassed $6/gallon for the first time ever on Thursday, as the U.S.-Iran war and Ukrainian attacks on Russia's refineries have squeezed supply.

Early Market Call - as of 8:45 AM EDT
WTI - Oct $99.75, down $2.73
RBOB - Oct $3.2427, down 5.05 cents
HO - Oct $5.0589, up 14 points

All NYMEX | Prior Settlements

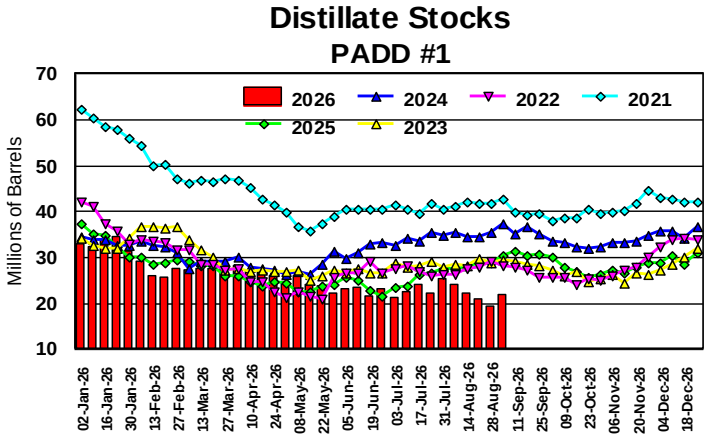
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-26	5.0575	0.2565	0.4639
Nov-26	4.8459	0.2212	0.4209
Dec-26	4.6271	0.1925	0.3872
Jan-27	4.4788	0.1804	0.3761
Feb-27	4.3498	0.1738	0.3675
Mar-27	4.2059	0.1657	0.3540
Apr-27	4.0539	0.1588	0.3400
May-27	3.9228	0.1509	0.3208
Jun-27	3.8034	0.1378	0.2935
Jul-27	3.7097	0.1230	0.2615
Aug-27	3.6296	0.1068	0.2309
Sep-27	3.5628	0.0926	0.2049
Oct-27	3.4992	0.0792	0.1799
Nov-27	3.4263	0.0637	0.1513
Dec-27	3.3455	0.0455	0.1186
Jan-27	3.2789	0.0304	0.0902
Feb-27	3.2182	0.0177	0.0669
Sprague HeatCurve October 2026-April 2027			**$4.4849**

		Close	Change
Crude - WTI	**Nov Brent-WTI Spread $9.23**	$98.4000	$5.5300
Crude - Brent		$107.6300	$6.4200
Natural Gas		$2.8340	$0.0120
Gasoline		$3.3932	$0.1826

EIA Working Gas Storage Report

	04-Sep-26	28-Aug-26	Change	04-Sep-25
East	773	753	20	754
Midwest	908	890	18	886
Mountain	239	236	3	257
Pacific	290	285	5	293
South Central	1044	1051	-7	1,143
Salt	227	238	-11	281
Nonsalt	817	813	4	862
Total	3254	3214	40	3,333

Weekly EIA Petroleum Status Report for the Week Ending September 4, 2026



Overall U.S. Stat

Crude Oil Stocks(excluding SPR) Down 391,000 barrels
Cushing, OK Crude Stocks down 684,000 barrels
Gasoline Stocks Up 1.3 million barrels
Distillate Stocks Up 2.1 million barrels
Refinery % Operated 97.8%, down 0.2%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Sep 4, 2026	Week Ending Aug 28, 2026	Week Ending Sep 5, 2025
New England	2.9	2.3	3.9
Central Atlantic	10.0	10.3	14.6
Total PADD #1	21.7	19.3	30.3
Distillate Imports (thousands b/d)	149	49	134

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