MarketWatch | Refined Products

Friday, September 25, 2026

Market Commentary

Recap: The oil market retraced its previous losses on Thursday after posting an inside trading day on Wednesday as talks between the U.S. and Iran showed little sign of progress. The market was well supported by the news that Yemen's Iran-backed Houthis fired missiles at Saudi Arabia on Thursday. Saudi Arabia intercepted six missiles fired at the southern province of Taif and Yanbu areas on the Red Sea. The crude market posted a low of $91.23 in overnight trading before it bounced off that level and rallied higher. The market retraced more 62% of its move from a high of $101.69 to a low of $88.67 as it rallied to a high of $96.78 by mid-day. The market retraced some of its gains on reports stating that U.S. and Iranian negotiators were exploring a phased path out of the war. The November WTI contract settled up $2.45 at $94.61 and the Brent contract settled up $3.52 at $106.60. The product markets ended the session lower, with the heating oil market settling down 4.61 cents at $4.7303 and the RB market settling down 2.24 cents at $3.5646.

Technical Analysis: The oil market continues to remain driven by the latest headlines regarding the conflict in the Middle East. With little progress in talks between the U.S. and Iran, the market will continue to find limited downside. While Saudi Arabia's oil exports are increasing amid reports that it sold almost 100 million barrels of oil to Asian buyers and it is increasing crude volumes in the East-West Pipeline as it prepares to resume crude loadings, the threats on Saudi Arabia will continue to support the market. The market is seen finding resistance at $96.78, $97.22, $97.42, $98.01, $99.85 and $100.61. Further resistance is seen at $1.0108, $101.69, $103.48, $105.63 and $106.75. Meanwhile, support is seen at $91.23, $88.71, $88.67, $88.18 and $85.92.

Fundamental News: According to executives, traders and analysts, a possible U.S. ban on diesel exports would initially cut domestic prices for the fuel, but the effect is likely to be short-lived. Analysts said retail diesel prices would fall to $4.70/gallon within 15 days from record highs above $6.50/gallon. The export moratorium would push excess supplies toward the East Coast and the West Coast, which sorely need the fuel. Meanwhile, distillate fuel stockpiles, now at their lowest-ever seasonal level, would be replenished. JPMorgan projects that they would reach the five-year average within two weeks and would reach 140 million barrels after 30 days, a level last seen in 2021. However, the economics would quickly make storage less attractive and squeeze profits, likely pushing refiners to process fewer barrels of crude oil and make less fuel of all kinds. According to Steven Barsamian, chief operating officer of The Tank Tiger, it would likely take only four to eight weeks for storage to fill on the Gulf Coast. Morgan Stanley analysts including Martijn Rats estimate it will take even less time, saying storage in the region would fill up within just three weeks before refineries slashed production. The amount of distillate fuel stored in Gulf Coast tanks is already above normal seasonal levels.

A U.S. official said about 60 commercial vessels transited the Strait of Hormuz on Wednesday carrying the highest daily volume of crude oil since early July. The official said about 40 of those vessels coordinated with the U.S. military for protection. A total of about 22 million barrels of oil exited the maritime chokepoint.

Preliminary shipping data showed that ten commodity vessels transited the Strait of Hormuz on Wednesday, up from seven a day earlier and below the 10-day moving average of about 17. In the Bab el-Mandeb Strait, 27 commodity vessels on Wednesday transited the waterway, up from 24 a day earlier and compared with an average of 26 ships using the strait in the past 10 days.

Early Market Call - as of 8:30 AM EDT
WTI - Nov $92.83, down $1.75
RBOB - Oct $3.4675, down 9.71 cents
HO - Oct $4.7401, up 98 points

All NYMEX | Prior Settlements

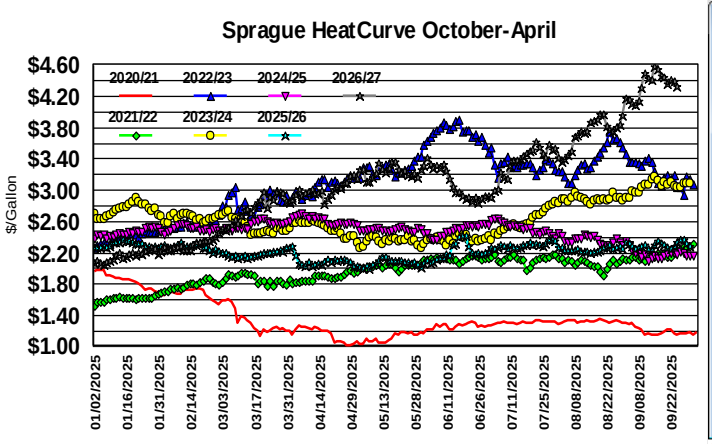
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-26	4.7303	-0.0461	-0.3836
Nov-26	4.5280	-0.1056	-0.3610
Dec-26	4.4197	-0.0974	-0.2065
Jan-27	4.3486	-0.0772	-0.1016
Feb-27	4.2513	-0.0524	-0.0483
Mar-27	4.1259	-0.0280	-0.0103
Apr-27	3.9886	-0.0091	0.0262
May-27	3.8562	-0.0071	0.0401
Jun-27	3.7347	-0.0114	0.0443
Jul-27	3.6563	-0.0109	0.0512
Aug-27	3.5938	-0.0074	0.0561
Sep-27	3.5433	-0.0021	0.0599
Oct-27	3.4947	0.0022	0.0623
Nov-27	3.4278	0.0035	0.0557
Dec-27	3.3463	0.0032	0.0440
Jan-27	3.2676	-0.0033	0.0303
Feb-27	3.1910	-0.0077	0.0203
Sprague HeatCurve October 2026-April 2027			**$4.3246**

		Close	Change
Crude - WTI	Nov Brent-WTI Spread $11.99	$94.6100	$2.4500
Crude - Brent		$106.6000	$3.5200
Natural Gas		$3.2970	$0.2740
Gasoline		$3.5646	-$0.0224

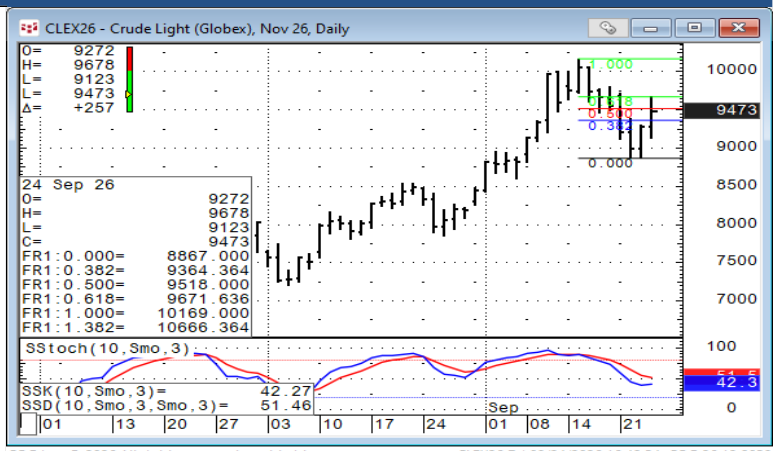
Working Gas Storage Report

	18-Sep-26	11-Sep-26	Change	18-Sep-25
East	815	795	20	803
Midwest	959	934	25	941
Mountain	244	241	3	265
Pacific	292	289	3	300
South Central	1041	1039	2	1,188
Salt	217	222	-5	298
Nonsalt	825	817	8	888
Total	3351	3298	53	3,497

Sprague HeatCurve



November WTI



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