MarketWatch | Refined Products

Monday, October 19, 2026

Market Commentary

Recap: The oil market on Friday rallied sharply higher amid the continuing conflict in the Middle East, with the conflict between Saudi Arabia and Yemen's Houthis escalating and the strikes on vessels around the Strait of Hormuz increasing over the past few days as Iran said it was stepping up its strikes in response to the U.S. blockade of its ports and sanctions introduced last month. The crude market traded sideways in overnight trading, posting a low of $96.85. However, the market later bounced off its low and extended its rally by almost $3.30 as it posted a high of $101.58 ahead of the close. The market rallied on rumors of attacks on Saudi energy infrastructure. The November WTI contract settled up $3.44 at $101.41 and traded to a high of $101.82 in the post settlement period. The December Brent contract settled up $3.94 at $109.86. The product markets were also well supported, with the heating oil market settling up 5.35 cents at $4.8991 and the RB market settling up 5.52 cents at $3.2354.

Technical Analysis: The crude market on Monday will be driven by the latest headlines reported over the weekend. The market will remain supported by the continuing uncertainty to supply amid the geopolitical risks in the Middle East. The market will look for further developments on the reports suggesting that Iran may be preparing a pre-emptive strike following unusual military movements detected by Western intelligence. The market is seen finding resistance at $101.82, $103.48, $105.63, $106.75 and $109.24. Meanwhile, support is seen at $96.85, $93.58, $91.70, $89.61, $88.77, $87.96, $86.86, $85.92, $84.24, $82.47 and $82.17.

Fundamental News: The U.S. Department of Energy said it has issued a request for proposal for an exchange of up to 17 million barrels of crude oil from the nation's Strategic Petroleum Reserve. The exchange would be part of a global deal the US struck in March. Washington agreed then to loan 172 million barrels of oil from the SPR as part of a wider deal with about 30 countries in the International Energy Agency to release 400 million barrels from reserves around the world.

Barclays maintained its $100/barrel and $85/barrel forecasts for Brent crude in 2026 and 2027, respectively. It said near term oil price risks remain skewed higher. It said renewed attacks on vessels and Saudi-Houthi escalation are stalling the Middle East supply recovery. It added that exceptionally low inventories, light speculative positioning and steep backwardation leave the market vulnerable to further upside. Barclays also stated that the recent increase in freight costs could persist for at least few more weeks.

Baker Hughes said U.S. energy firms left the rig count unchanged this week with oil rigs down and natural gas and miscellaneous rigs up. Baker Hughes said oil rigs fell by three to 459 in the week ending October 16th, while gas rigs increased by one to 133, and other miscellaneous rigs increased by two to 11, the highest level since January.

IIR Energy said U.S. oil refiners are expected to shut in about 529,000 bpd of capacity for the week ending October 16th, increasing available refining capacity by 50,000 bpd. Offline capacity is expected to decrease to 433,000 bpd in the week ending October 23rd and further to 213,000 bpd in the subsequent week.

According to a Reuters survey, OPEC oil output increased in September led by gains in Saudi Arabia and Iraq despite continued constraints on exports due to the war in Iran and a US blockade on Iran's shipments. Crude output by the 11-member Organization of the Petroleum Exporting Countries increased by 1.78 million bpd month-on-month to 21.49 million bpd. Saudi Arabia's output in September increased by 1.2 million bpd on the month to 8.2 million bpd in September, while Iraq's output increased by 900,000 bpd to 4.1 million bpd.

Early Market Call - as of 8:45 AM EDT

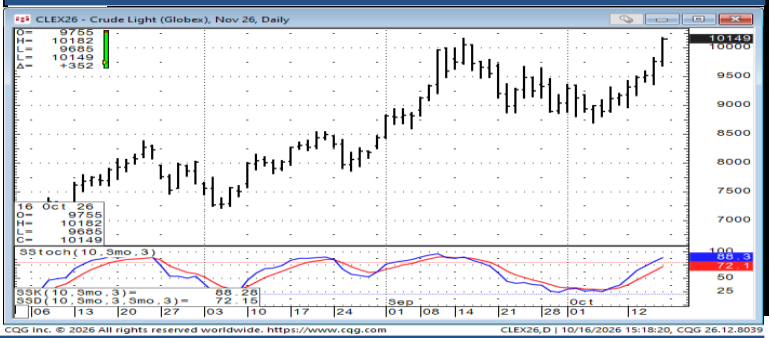
WTI - Nov $101.00, down 41 cents
RBOB - Nov $3.2136, down 2.18 cents
HO - Nov $4.8735, down 2.56 cents

All NYMEX | Prior Settlements

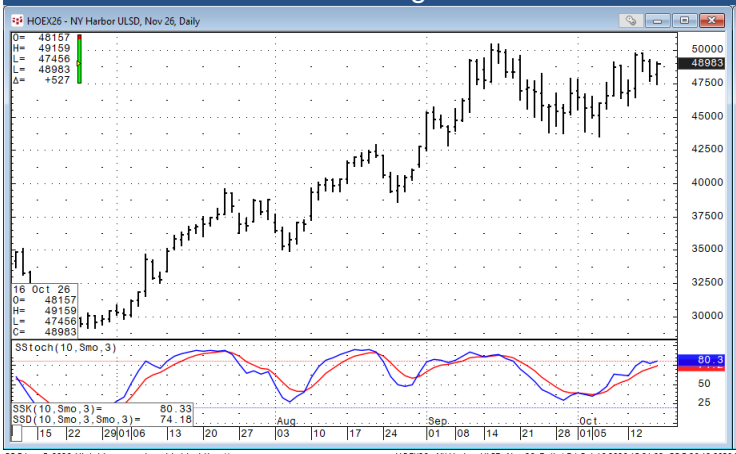
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-26	4.8991	0.0535	0.1607
Dec-26	4.7232	0.0687	0.1348
Jan-27	4.6251	0.0699	0.1303
Feb-27	4.5230	0.0690	0.1263
Mar-27	4.3993	0.0690	0.1254
Apr-27	4.2558	0.0677	0.1235
May-27	4.1215	0.0647	0.1200
Jun-27	3.9982	0.0625	0.1172
Jul-27	3.9157	0.0594	0.1119
Aug-27	3.8464	0.0557	0.1011
Sep-27	3.7885	0.0516	0.0891
Oct-27	3.7316	0.0478	0.0772
Nov-27	3.6605	0.0436	0.0639
Dec-27	3.5741	0.0428	0.0553
Jan-27	3.4877	0.0420	0.0499
Feb-27	3.4102	0.0391	0.0431
Mar-27	3.3382	0.0372	0.0370
Sprague HeatCurve October 2027-April 2028			**$3.4817**

		Close	Change
Crude - WTI	**Dec Brent-WTI Spread $10.84**	$99.0200	$2.5200
Crude - Brent		$109.8600	$3.9400
Natural Gas		$3.1160	-$0.1200
Gasoline		$3.2354	$0.0552

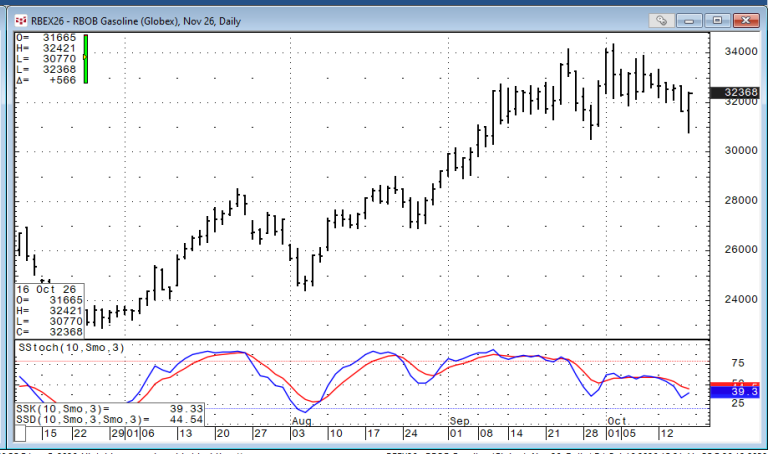
November WTI



November Heating Oil



November RBOB



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