MarketWatch | Refined Products

Thursday, October 29, 2026

Market Commentary

Recap: The oil market on Wednesday continued to trade within Friday's trading range once again as traders remain concerned over supply risks amid the escalating conflict in the Middle East. The market posted a low of $99.75 in overnight trading and retraced its losses posted on Tuesday. The market remained well supported following the news of Yemen's Houthis striking Saudi Arabia's Ras Tanura refinery on Tuesday and news that the Houthis on Wednesday struck the international airport in Aden, where the internationally recognized Saudi-backed government is based. The oil market rallied to a high of $103.55 in afternoon trading in light of the EIA weekly petroleum stocks report showing a 1.9 million barrel draw in crude stocks as well. The crude market later settled in a sideways trading range ahead of the close. The December WTI contract ended the session up $2.88 at $102.78 and the December Brent contract settled up $1.44 at $115.32. The product markets also settled higher, with the heating oil market settling up 4 cents at $4.8152 and the RB market settling up 3.58 cents at $3.1734.

Technical Analysis: The crude market will remain range bound as it weighs the escalating conflict in the Middle East against hopes of a new deal to end the war with Iran. A response to a new draft deal to end the war with Iran is expected from Tehran by the end of the week. The oil market is seen finding resistance at $103.55, $103.13, $103.92, $110.48, $110.93 and $117.63. Meanwhile, support is seen at $99.75, $99.44, $98.84, $97.72, $97.07, $96.26 and $95.25.

Fundamental News: Iran's Foreign Minister, Abbas Araqchi, said on Wednesday Tehran remained in close contact with intermediaries on discussing ideas for ensuring implementation of an Iranian proposal aimed at ending the war in the Middle East. He said Iran continued to give diplomacy a chance to succeed and raised the possibility of the seven-day plan proposed by Tehran being completed in less than a week if implemented.

Egypt's Foreign Ministry said Egyptian Foreign Minister Badr Abdelatty and his Saudi Arabian counterpart Faisal bin Farhan discussed efforts to contain the current regional crisis and prevent a wider escalation in a phone call on Tuesday. The ministers agreed to maintain close bilateral coordination. On Monday, Egypt's parliament authorized President Abdel Fattah al-Sisi on Monday to take "all necessary measures" to help Saudi Arabia defend itself, as fighting between the kingdom and Yemen's Iran-aligned Houthis intensified.

UBS raised its forecast for Brent crude prices, expecting oil to remain elevated in the coming months as Middle Eastern supply stays vulnerable to disruptions amid geopolitical uncertainty. The bank now expects Brent crude to trade at $110/barrel by the end of 2026, up from its previous forecast of $100/barrel. UBS raised its Brent forecast for March 2027 to $95/barrel from $90/barrel, for June 2027 to $90/barrel from $85/barrel and for September 2027 to $85/barrel from $80/barrel.

IIR Energy said U.S. oil refiners are expected to shut in about 417,000 bpd of capacity offline in the week ending October 30th, increasing available refining capacity by 151,000 bpd. Offline capacity is expected to fall to 81,000 bpd in the week ending November 6th.

The Federal Reserve held interest rates steady on Wednesday, as expected, opting to delay any changes to borrowing costs until after next week's U.S. midterm elections and awaiting further data on the path of inflation. In a 10-2 decision, the US central bank said it would maintain its benchmark interest rate within the current 3.75%-4.00% range while acknowledging that inflation "remains elevated," upgrading its assessment of the economy, and hinting that further rate hikes may be coming depending on the performance of inflation.

Early Market Call - as of 8:45 AM EDT

WTI - Dec $101.42, down $1.37

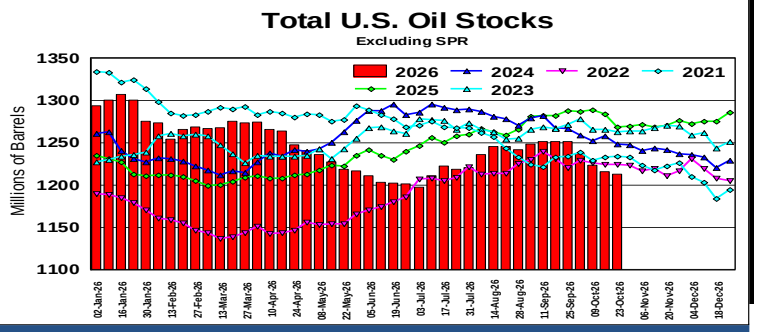
RBOB - Nov $3.1312, down 4.22 cents

HO - Nov $4.7062, down 10.9 cents

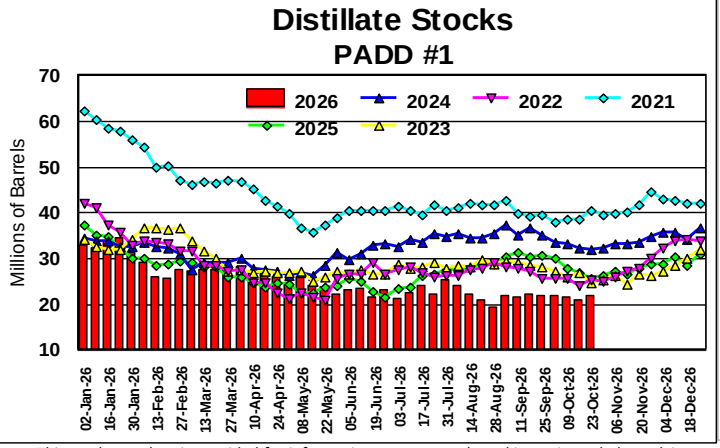
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-26	4.8152	0.0400	0.0519
Dec-26	4.6639	0.0467	0.0867
Jan-27	4.5733	0.0500	0.0904
Feb-27	4.4801	0.0526	0.0926
Mar-27	4.3651	0.0530	0.0916
Apr-27	4.2371	0.0526	0.0922
May-27	4.1203	0.0522	0.0927
Jun-27	4.0113	0.0501	0.0913
Jul-27	3.9396	0.0484	0.0885
Aug-27	3.8778	0.0476	0.0836
Sep-27	3.8257	0.0482	0.0779
Oct-27	3.7742	0.0491	0.0732
Nov-27	3.7094	0.0501	0.0713
Dec-27	3.6279	0.0493	0.0696
Jan-27	3.5442	0.0506	0.0675
Feb-27	3.4614	0.0485	0.0620
Mar-27	3.3829	0.0462	0.0546
Sprague HeatCurve October 2027-April 2028			**$3.5319**

		Close	Change
Crude - WTI	**Dec Brent-WTI Spread $12.54**	$102.7800	$2.8800
Crude - Brent		$115.3200	$1.9400
Natural Gas		$2.8170	$0.1200
Gasoline		$3.1734	$0.3580



Weekly EIA Petroleum Status Report for the Week Ending October 23, 2026



Overall U.S. Stat

Crude Oil Stocks(excluding SPR) Down 1.9 million barrels

Cushing, OK Crude Stocks Down 624,000 barrels

Gasoline Stocks Up 3.9 million barrels

Distillate Stocks Down 1.5 million barrels

Refinery % Operated 92.8%, down 0.6%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Oct 23, 2026	Week Ending Oct 16, 2026	Week Ending Oct 23, 2025
New England	2.5	2.5	3.5
Central Atlantic	9.8	10.3	12.1
Total PADD #1	21.8	21.0	25.5
Distillate Imports (thousands b/d)	127	79	72

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