



MarketWatch | Refined Products

Friday, March 28, 2025

Market Commentary

Recap: The oil market on Thursday posted an inside trading day as the market continued to assess the U.S. tariff announcements and concerns over global supply kept the market well supported. The market remained supported by the Trump administration announcement earlier this week regarding 25% tariffs on buyers of Venezuelan crude oil. The market also remained supported by the weekly oil inventory reports that showed larger than expected draws in crude stocks in the latest week. The market posted the day's trading range by mid-day sold off to a low of \$69.12 and later posted a high of \$69.97. The market traded sideways as the market assessed the impact on oil demand from the Trump administration's latest announcement of a 25% tariff on imported vehicles starting next week, in addition to the previous tariff announcements earlier in the week. The May WTI contract settled up 27 cents at \$69.92 and the May Brent contract settled up 24 cents at \$74.03. The product markets ended the session in mixed territory, with the heating oil market settling down 40 points at \$2.2847 and the RB market settling up 1.36 cents at \$2.2464.

Technical Analysis: The crude market on Friday will remain range bound at the market continues to weigh the economic news and the supply and demand fundamentals. Technically, the daily stochastics are also trending sideways. The oil market is seen finding resistance at its high of \$69.97, \$70.22, \$70.71, \$70.98 and \$72.09. Meanwhile, support is seen at its lows of \$69.12, \$69.06, \$68.52, \$67.95, \$67.65, \$66.63 and \$66.09.

Fundamental News: According to the latest Dallas Federal Reserve Bank quarterly energy survey released on Wednesday, found that producers believe they need to average \$65 per barrel for drilling new wells in the various shale plays. These producers also believe Henry Hub natural gas prices will average \$3.78 per MMBtu two years from now and rising to \$4.83 per MMBtu five years from now. The survey respondents also noted that if crude oil prices fall to \$50 power barrel, U.S. oil production will start to decline almost immediately and likely would fall by 1 million b/d or more within six months. One executive survey noted that to stimulate new oil and gas activity would require crude prices to average in the \$75-\$80 per barrel range while another noted the need for additional takeaway capacity for gas from the Permian basin, given earnings on gas production from the Permian is slightly negative to barely positive.

Russia's Deputy Foreign Minister, Sergei Ryabkov, said contacts between Russia and the United States are the beginning of a long and difficult process of restoring relations. He said it is premature to draw "far-reaching conclusions" about Russia-U.S. relations based on these contacts.

Russian Foreign Ministry spokeswoman Maria Zakharova said that the proposed Black Sea Initiative was a new deal, not an extension of an earlier agreement under which U.N. officials agreed to help Russia get its food and fertilizer exports to foreign markets.

Sources stated that Indian port authorities denied entry to a tanker loaded with Russian crude on Thursday due to inadequate documentation. Shipping data showed the Tanzania-flagged Andaman Skies, carrying about 100,000 metric tons or 800,000 barrels of Varandey Russian oil sold by Lukoil from the northern port of Murmansk, was on course for the Vadinar Port for delivery to state refiner Indian Oil Corp before being turned away.

The Commerce Department's Bureau of Economic Analysis said GDP increased at an upwardly revised 2.4% annualized rate in the fourth quarter. Growth was previously estimated to be 2.3%. The economy grew at a 3.1% rate in the third quarter.

Early Market Call - as of 8:35 AM EDT

WTI - May \$70.03, up 11 cents
 RBOB - Apr \$2.2539, up 75 points
 HO - Apr \$2.2792, down 55 points

All NYMEX | Prior Settlements

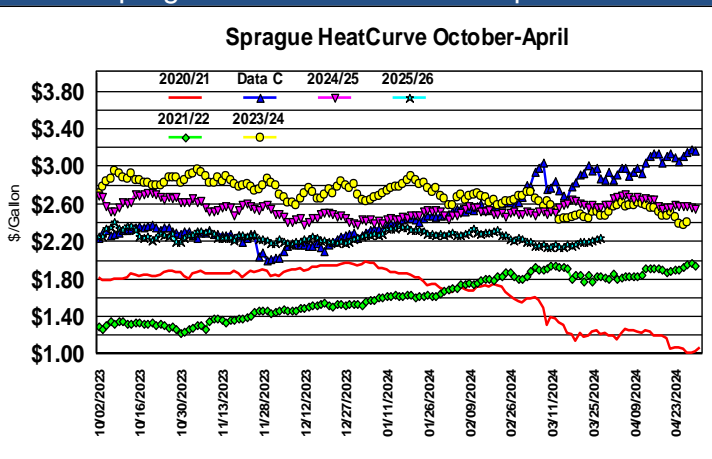
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Apr-25	2.2847	-0.0040	0.0304
May-25	2.2542	0.0034	0.0459
Jun-25	2.2309	0.0068	0.0497
Jul-25	2.2265	0.0082	0.0515
Aug-25	2.2253	0.0090	0.0498
Sep-25	2.2287	0.0094	0.0455
Oct-25	2.2328	0.0097	0.0416
Nov-25	2.2341	0.0098	0.0399
Dec-25	2.2332	0.0099	0.0397
Jan-26	2.2338	0.0099	0.0381
Feb-26	2.2283	0.0098	0.0361
Mar-26	2.2160	0.0098	0.0344
Apr-26	2.1980	0.0101	0.0327
May-26	2.1876	0.0103	0.0306
Jun-26	2.1802	0.0100	0.0285
Jul-26	2.1805	0.0101	0.0267
Aug-26	2.1821	0.0102	0.0250

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.11	\$69.9200	\$0.2700
Crude - Brent		\$74.0300	\$0.2400
Natural Gas		\$3.9500	\$0.0890
Gasoline		\$2.2464	\$0.0136

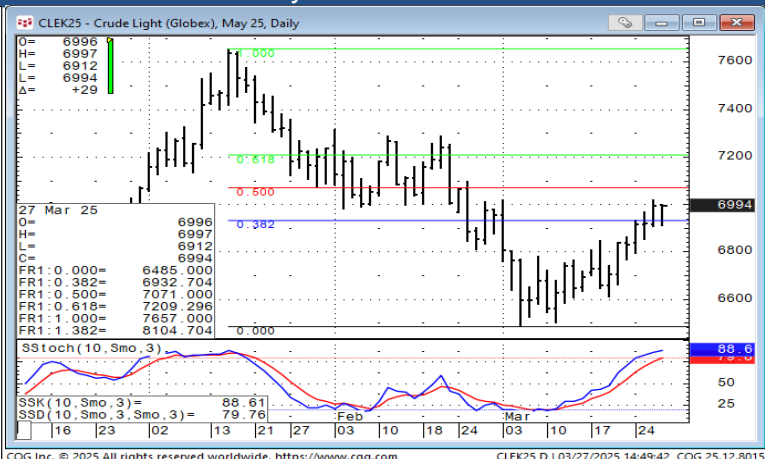
EIA Working Gas Storage Report

	21-Mar-25	14-Mar-25	Change	21-Mar-24
East	298	295	3	390
Midwest	367	366	1	531
Mountain	163	165	-2	166
Pacific	192	193	-1	222
South Central	725	688	37	991
Salt	202	181	21	295
Nonsalt	523	508	15	697
Total	1744	1707	37	2,301

Sprague HeatCurve October-April



May WTI



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