



MarketWatch | Refined Products

Thursday, April 3, 2025

Market Commentary

Recap: The crude oil market traded higher as the market prepared for the U.S. to impose sweeping reciprocal tariffs later on Wednesday afternoon. The market also seemed to have shrugged off the bearish weekly petroleum stocks reports, which showed unexpected builds in crude stocks. The oil market traded lower in overnight trading, breaching its previous low of \$71.03 as it sold off to a low of \$70.61 early in the morning. However, the market bounced off its low and retraced its losses as it traded to a high of \$71.91. This was despite the EIA reporting a large build of over 6 million barrels in crude stocks, compared with market expectations of a draw. The market later settled in a sideways trading range as the market braced for tariff announcement. The May WTI contract settled up 51 cents at \$71.71 and the June Brent contract settled up 46 cents at \$74.95. The product markets ended in positive territory, with the heating oil market settling up 3.31 cents at \$2.3220 and the RB market settling up 2.85 cents at \$2.3310.

Technical Analysis: The oil market on Thursday will be driven by the Trump administration's tariff announcements, which could cause inflation, slow economic growth and risk a global trade war that may cut demand for oil. Stronger than expected tariff measures could trigger a selloff in the markets. The market will also await news of any secondary tariffs on Russian oil following his threat early in the week. The crude market is seen finding resistance at its high of \$71.94, \$72.10, \$72.55, \$72.90, \$73.17 and \$73.82. Meanwhile, support is seen at its low of \$70.61, \$69.32, \$68.81, \$68.52, \$67.95, \$67.65, \$66.63 and \$66.09.

Fundamental News: Two delegates said eight OPEC+ countries meeting on Thursday will focus talks on how to convince Kazakhstan to stop exceeding its output quota and its plans to compensate for overproduction. OPEC+ is urging Kazakhstan, among other members, to make further cuts to compensate for excess production. Eight members of OPEC+ are expected to increase oil output by 135,000 bpd in May. The two delegates said the group is expected to proceed with this plan, following similar comments on Tuesday from other OPEC+ delegates. The May hike is the next increment of a plan agreed by Russia, Saudi Arabia, UAE, Kuwait, Iraq, Algeria, Kazakhstan and Oman to gradually unwind their most recent output cut of 2.2 million bpd, which came into effect this month. An OPEC+ ministerial committee was initially scheduled to meet on April 5th, although one source said this may also take place on Thursday.

The Kremlin said Russian restrictions were imposed on Black Sea oil export infrastructure from the Caspian pipeline due to Ukrainian drone attacks on the pipeline's infrastructure. Russia has accused Ukraine of striking a CPC Kropotkinskaya pumping station and a nearby oil depot in southern Russia.

On Wednesday, Russia imposed restrictions on another major oil export route, suspending a mooring at the Black Sea port of Novorossiisk only a day after restricting loadings from a Caspian pipeline. Russia's oil pipeline monopoly Transneft said it had suspended operations at a mooring at the Black Sea port of Novorossiisk for 90 days following an inspection by a transport watchdog.

IIR Energy said U.S. oil refiners are expected to shut in about 1.8 million bpd of capacity in the week ending April 4th, cutting the available refining capacity by 166,000 bpd. Offline capacity is expected to fall to 1.5 million bpd in the week ending April 11th.

Early Market Call - as of 8:50 AM EDT

WTI - May \$66.57, down \$5.14

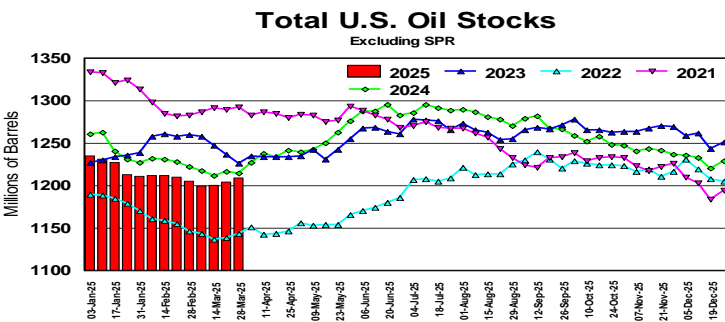
RBOB - Apr \$2.1679, down 16.31 cents

HO - Apr \$2.1739, down 14.81 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.3220	0.0331	0.0712
May-25	2.2929	0.0274	0.0688
Jun-25	2.2841	0.0253	0.0658
Jul-25	2.2815	0.0242	0.0652
Aug-25	2.2850	0.0235	0.0657
Sep-25	2.2892	0.0231	0.0661
Oct-25	2.2893	0.0229	0.0650
Nov-25	2.2864	0.0223	0.0631
Dec-25	2.2849	0.0218	0.0610
Jan-26	2.2777	0.0211	0.0592
Feb-26	2.2634	0.0204	0.0572
Mar-26	2.2433	0.0194	0.0554
Apr-26	2.2312	0.0187	0.0539
May-26	2.2221	0.0179	0.0519
Jun-26	2.2207	0.0178	0.0503
Jul-26	2.2205	0.0175	0.0486
Aug-26	2.2216	0.0174	0.0474

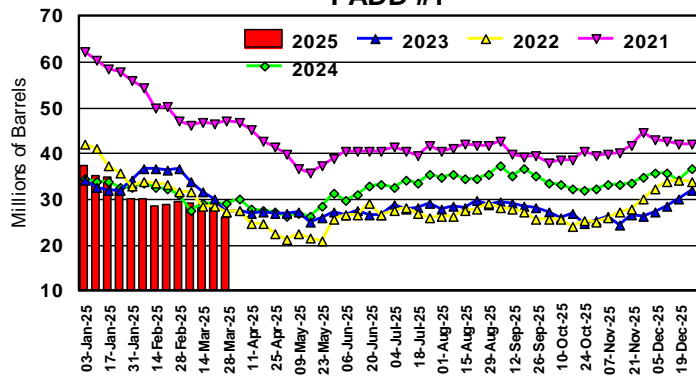
Sprague HeatCurve October 2025-April 2026		\$2.2776
	Close	Change
Crude - WTI	\$71.2300	\$0.4900
Crude - Brent	\$74.9500	\$0.4600
Natural Gas	\$4.0550	\$0.1040
Gasoline	\$2.3310	\$0.0285



Weekly EIA Petroleum Status Report for the Week Ending March 21, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 6.165 million barrels

Cushing, OK Crude Stocks Up 2.373 million barrels

Gasoline Stocks Down 1.551 million barrels

Distillate Stocks Up 264,000 barrels

Refinery % Operated 86%, down 1%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Mar. 21, 2025	Week Ending Mar. 14, 2024	Week Ending Mar. 22, 2024
New England	4.2	4.0	4.2
Central Atlantic	13.0	14.0	14.4
Total PADD #1	25.9	28.3	29.2
Distillate Imports (thousands b/d)	125	100	83

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