



# MarketWatch | Refined Products

Friday, April 4, 2025

## Market Commentary

**Recap:** The oil market plunged on Thursday, giving up most of its gains seen over the last few weeks since early March, as a decision by OPEC+ to advance its unwinding of oil output cuts in May added to already heavy losses following U.S. President Donald Trump's announcement of sweeping new tariffs on Wednesday afternoon. On the opening, the crude market gapped lower from \$70.59 to \$70.38 and partially backfilled that gap as it posted a high of \$70.41. However, the market sold off sharply amid concerns of a global trade war, after President Trump announced a 10% minimum tariff on most goods imported to the U.S., with much higher duties on products from dozens of countries. Imports of oil, gas and refined products were exempted from the new tariffs. The market's losses were compounded by an OPEC+ decision to advance their plan for oil output hikes, now aiming to return 411,000 bpd to the market in May, up from an initially planned 135,000 bpd increase. The crude market sold off almost 8% as it posted a low of \$65.98 by midday. The market later retraced some of its sharp losses and traded within a range from \$66-\$67 during the remainder of the session. The May WTI contract settled down \$4.76 at \$66.95 and the June Brent contract settled down \$4.84 at \$70.14. The product markets ended sharply lower, with the heating oil market settling down 13.31 cents at \$2.1889 and the RB market settling down 16.67 cents at \$2.1643.

**Technical Analysis:** The crude market will likely retrace some of Thursday's sharp losses before it continues to trend lower amid the bearish news regarding the OPEC+ unwinding of its output cuts and the new tariffs imposed on dozens of nations. While imports of oil, oil products and natural gas were exempt from the tariffs announced by President Trump, the concerns of a trade war and its impact on the global economy will likely continue to pressure the market. The crude market is seen finding support at its low of \$65.98, \$65.83, \$65.00 and \$64.85. Resistance is seen at \$67.50, \$68.38, \$69.13, \$69.87 and its gap from \$70.41-\$70.59.

**Fundamental News:** The White House said imports of oil, gas and refined products were exempted from U.S. President Donald Trump's sweeping new tariffs he announced on Wednesday. President Trump announced he would impose a 10% baseline tariff on all imports to the U.S. and higher duties on dozens of the country's biggest trading partners, including a 20% fee on the European Union, 24% on Japan, 27% on India, 10% on Britain and 34% on China. However, a White House official said the trade protections do not apply to energy imports from Canada or Mexico, which are already exempted under the United States-Mexico-Canada Agreement free trade deal, nor do they apply to energy imports from any other country.

Eight OPEC+ countries agreed on Thursday to advance their plan to phase out oil output cuts by increasing output by 411,000 bpd in May. The eight members of OPEC+ had been scheduled to raise output by 135,000 bpd in May as part of a plan to gradually unwind their most recent layer of output cuts. However, after a meeting of the eight countries held online on Thursday, the group announced it would increase output by 411,000 bpd in May. OPEC cited "continuing healthy market fundamentals and the positive market outlook." OPEC said "This comprises the increment originally planned for May in addition to two monthly increments." OPEC's statement said the eight OPEC+ countries will meet on May 5<sup>th</sup> to decide on June output.

UBS analysts said the OPEC+ decision to advance the unwinding of its output cuts adds downside risk to crude prices, while the negative effect on global growth from U.S. tariffs could cut oil demand growth by 250,000 to 500,000 bpd, "close to half of its 2025 growth forecast of 1.1 million bpd at the upper end." UBS sees increased downside risk for crude oil prices towards the lower end of the \$55-\$75/barrel WTI range.

**Early Market Call - as of 9:30 AM EDT**

WTI - May \$61.66, down \$5.28  
 RBOB - Apr \$2.0441, down 12.08 cents  
 HO - Apr \$2.0703, down 11.86 cents

## All NYMEX | Prior Settlements

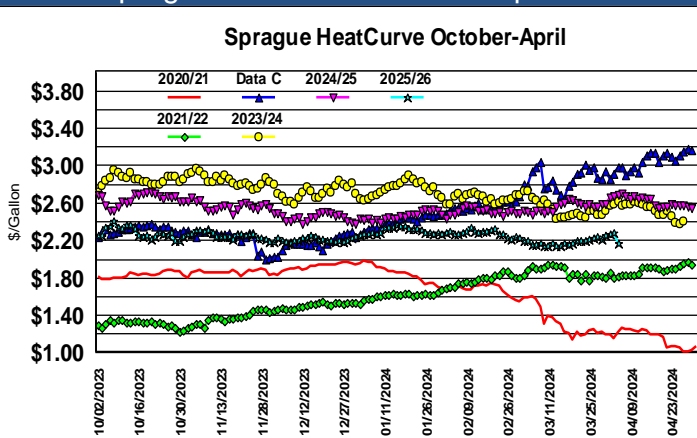
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.1889	-0.1331	-0.0653
May-25	2.1587	-0.1342	-0.0722
Jun-25	2.1499	-0.1342	-0.0766
Jul-25	2.1484	-0.1331	-0.0769
Aug-25	2.1553	-0.1297	-0.0734
Sep-25	2.1621	-0.1271	-0.0707
Oct-25	2.1654	-0.1239	-0.0687
Nov-25	2.1663	-0.1201	-0.0669
Dec-25	2.1691	-0.1158	-0.0647
Jan-26	2.1657	-0.1120	-0.0626
Feb-26	2.1550	-0.1084	-0.0610
Mar-26	2.1380	-0.1053	-0.0600
Apr-26	2.1289	-0.1023	-0.0587
May-26	2.1234	-0.0987	-0.0568
Jun-26	2.1262	-0.0945	-0.0543
Jul-26	2.1298	-0.0907	-0.0523
Aug-26	2.1337	-0.0879	-0.0508

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	May Brent- WTI Spread \$3.67	\$66.4700	-\$4.7600
Crude - Brent		\$70.1400	-\$4.8400
Natural Gas		\$4.1380	\$0.0830
Gasoline		\$2.1643	-\$0.1667

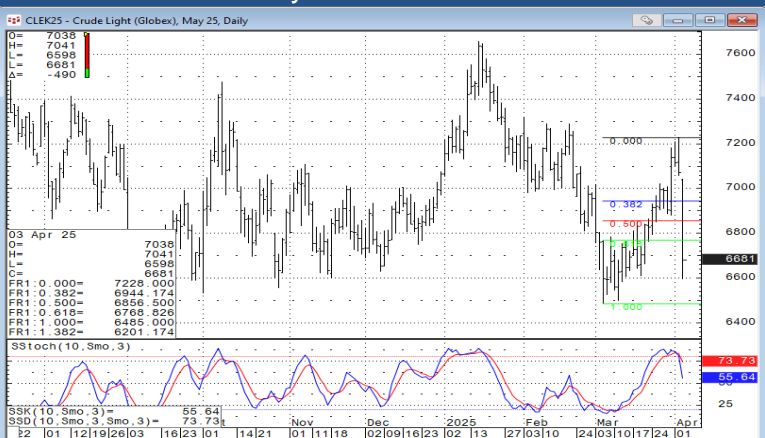
## EIA Working Gas Storage Report

	28-Mar-25	21-Mar-25	Change	28-Mar-24
East	284	298	-14	366
Midwest	364	367	-3	513
Mountain	165	163	2	163
Pacific	202	192	10	226
South Central	758	725	33	995
Salt	218	202	16	294
Nonsalt	540	523	17	701
Total	1773	1744	29	2,264

## Sprague HeatCurve October-April



## May WTI



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.