



MarketWatch | Refined Products

Monday, April 7, 2025

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market already under pressure from U.S. President Donald Trump's sweeping tariffs and an expected increase in OPEC+ production in May, plummeted 7.4% on Friday after China imposed retaliatory tariffs. China escalated the global trade war by imposing an additional 34% tariff on all U.S. goods. The crude market traded sideways and posted a high of \$66.90 in overnight trading. However, the market breached its previous low and extended its losses by mid-morning to \$6.50 as it posted a low of \$60.45, the lowest level since April 26, 2021. The market later settled in a sideways trading range during the remainder of the session. The May WTI contract settled down \$4.96 at \$61.99, with a weekly decline of 10.63%, the largest weekly decline since the week ending March 17, 2023. The June Brent contract settled down \$4.56 at \$65.58. The product markets ended sharply lower once again, with the heating oil market settling down 10.7 cents at \$2.0819 and the RB market settling down 10.98 cents at \$2.0545.

Technical Analysis: The crude market is once again seen retracing some of its losses. However, any gains will remain limited as the market continues to digest the implications of the sweeping tariffs imposed by the U.S. on its trading partners and any further retaliatory tariffs imposed against the U.S. after China imposed retaliatory tariffs on the U.S. on Friday. The market will also remain under pressure in light of the OPEC+ decision to advance the unwinding of its output cuts in May. The market is seen finding support at \$60.45, \$58.73, \$57.63, \$57.25 followed by \$51.64. Meanwhile, resistance is seen at \$63.45, \$64.95, \$66.36, \$66.90, \$67.75 followed by \$68.38, \$69.13, \$69.87 and its gap from \$70.41-\$70.59.

Fundamental News: Goldman Sachs lowered its forecast for Brent crude's average price this year by 5.5% to \$69/barrel and for WTI prices by 4.3% to \$66/barrel, citing the risks of higher OPEC+ supply and the global trade war triggering a recession. It also cut its 2026 average price forecast for Brent by 9% to \$62/barrel and for WTI by 6.3% to \$59/barrel, and warned that the new estimates could be lowered further. Goldman Sachs said it now expects oil demand to grow by only 600,000 bpd this year, down from its previous forecast of 900,000 bpd, and to increase by 700,000 bpd in 2026.

HSBC cut its 2025 global oil demand growth forecast from 1 million bpd to 900,000 bpd, citing tariffs and the OPEC+ decision.

Baker Hughes said U.S. energy firms this week cut the number of oil and natural gas rigs operating for a second consecutive week, even as the number of oil rigs increased to the highest level since June. The oil and gas rig count fell by two to 590 in the week ending April 4th. Baker Hughes said oil rigs increased by five to 489 this week, their highest since June, while gas rigs fell by seven, the most in a week since May 2023, to 96, their lowest since September.

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 available refining capacity by 166,000 bpd.

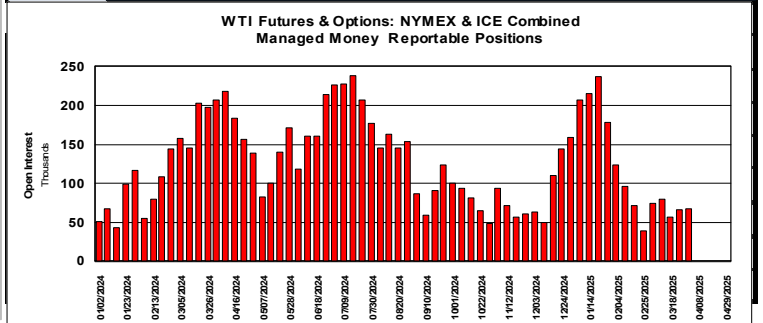
Federal Reserve Chair, Jerome Powell, said President Donald Trump's new tariffs are "larger than expected" and the economic fallout including higher inflation and slower growth likely will be as well. He said "We face a highly uncertain outlook with elevated risks of both higher unemployment and higher inflation," undermining both of the Fed's mandates of 2% inflation and maximum employment. He said the Fed has time to wait for more data to decide how monetary policy should respond, but added that the central banks' focus will be on ensuring that inflation expectations remain anchored, particularly if the import taxes touch off a more persistent increase in price pressures. He said he does not see a conflict between the central bank's mandates on jobs and inflation right now, and said if trouble did arise it would be tough for monetary policy.

Early Market Call - as of 9:06 AM EDT

WTI - May \$60.74 down \$1.25
 RBOB - Apr \$2.0271 down 2.74 cents
 HO - Apr \$2.0623 down 1.96 cents

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Apr-25	2.0819	-0.1070	-0.1469
May-25	2.0442	-0.1145	-0.1646
Jun-25	2.0349	-0.1150	-0.1709
Jul-25	2.0351	-0.1133	-0.1701
Aug-25	2.0430	-0.1123	-0.1661
Sep-25	2.0507	-0.1114	-0.1627
Oct-25	2.0561	-0.1093	-0.1584
Nov-25	2.0597	-0.1066	-0.1538
Dec-25	2.0658	-0.1033	-0.1486
Jan-26	2.0656	-0.1001	-0.1438
Feb-26	2.0577	-0.0973	-0.1398
Mar-26	2.0443	-0.0937	-0.1358
Apr-26	2.0389	-0.0900	-0.1314
May-26	2.0367	-0.0867	-0.1273
Jun-26	2.0414	-0.0848	-0.1234
Jul-26	2.0464	-0.0834	-0.1201
Aug-26	2.0520	-0.0817	-0.1169

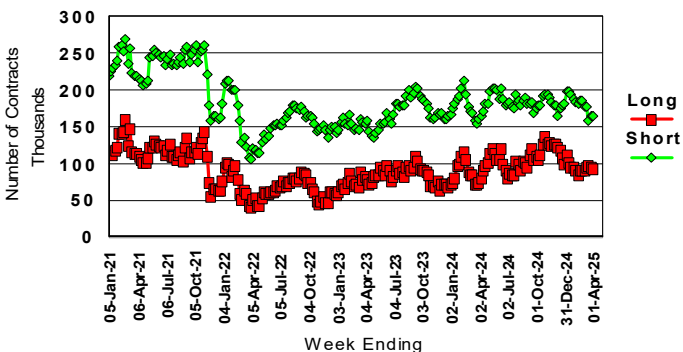
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	June Brent- WTI Spread \$3.93	\$61.6500	-\$4.8200
Crude - Brent		\$65.5800	-\$4.5600
Natural Gas		\$3.8370	-\$0.3010
Gasoline		\$2.0545	-\$0.1098



Commitment of Traders Report for the Week Ending April 1, 2025

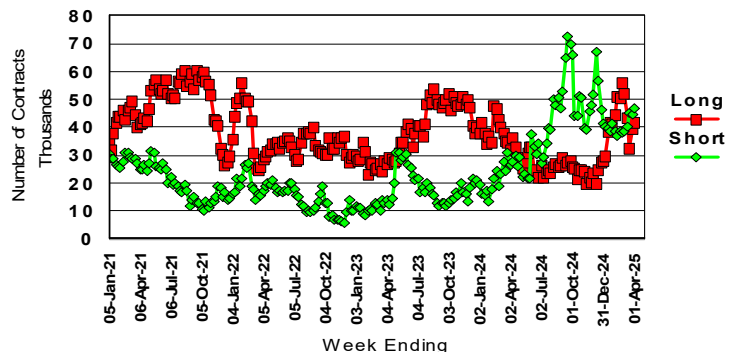
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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