

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Monday traded higher in light of increased geopolitical uncertainty in the Middle East after Syria's President Bashar al-Assad was ousted by Syrian rebels on Sunday and hopes of revived Chinese demand. While Syria is not a major oil producer, it holds geopolitical importance due to its location and ties with Russia and Iran. A tanker carrying Iranian oil to Syria turned around in the Red Sea to head away from its original destination. Meanwhile, China announced it would adopt loose monetary policy next year to support economic growth in the country. It said it would increase consumption and expand domestic demand. The oil market posted a low of \$67.08 on the opening and retraced more than 50% of its move from a high of \$70.51 to a low of \$66.98 as it traded to a high of \$68.88 by mid-morning. The crude market later settled in a sideways trading range during the remainder of the session. The January WTI contract settled up \$1.17 at \$68.37 and the February Brent contract settled up \$1.02 at \$72.14. The product markets also ended the session higher, with the heating oil market settling up 5.09 cents at \$2.1835 and the RB market settling up 4.63 cents at \$1.9525.

Technical Analysis: The crude market is seen trending sideways as the market's political risk premium following the ousting of Syria's President may be short-lived, barring a disruption of oil supplies. It is also seen trending sideways as traders position themselves ahead of the release of the weekly petroleum stocks reports on Tuesday evening and Wednesday morning. The market will, however, remain supported by indications that China plans to loosen its monetary policy next year to support the economy. The crude market is seen finding resistance at \$68.88, \$69.16, \$70.51 and \$71.48-\$71.51. Support is seen at \$67.39, \$67.08, \$66.98, \$66.53 followed by \$65.74, \$64.22 and \$63.90.

Fundamental News: Syrians awakened on Monday to a hopeful if uncertain future, after rebels seized the capital Damascus and President Bashar al-Assad fled to Russia, following 13 years of civil war and more than 50 years of his family's rule. President Assad's fall wiped out a bastion from which Iran and Russia exercised influence across the Arab world. Russian media reported and Mikhail Ulyanov, Russia's ambassador to international organizations in Vienna, said Russia gave asylum to Assad and his family. International governments welcomed the end of the Assad's autocratic government, as they sought to take stock of the new situation in the Middle East. U.S. President Joe Biden said Syria is in a period of risk and uncertainty, and it is the first time in years that neither Russia, Iran nor the Hezbollah militant organization held an influential role there. HTS is still designated as a terrorist group by the U.S., Turkey and the United Nations, although it has spent years trying to soften its image to reassure international governments and minority groups within Syria.

A tanker carrying Iranian oil to Syria turned around in Red Sea to head away from its original destination after the fall of Syrian President Bashar al-Assad. The Suezmax tanker Lotus, carrying about 1 million barrels of Iranian oil, turned around just before the Suez Canal on December 8th to start sailing southbound in the Red Sea.

IIR Energy reported that U.S. oil refiners are expected to shut in about 25,000 bpd of capacity in the week ending December 13th, raising available refining capacity by 64,000 bpd. Offline capacity is expected to remain at 25,000 bpd in the week ending December 20th.

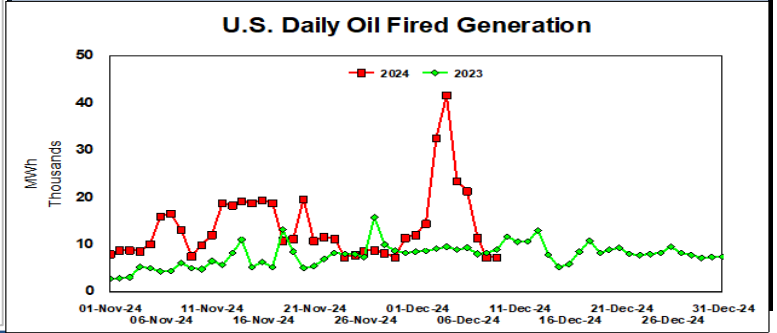
The U.S. Climate Prediction Center report today that for the week ending December 7th, the U.S. recorded 238 HDDs on an oil home heating customer weighted basis. This was some 36 HDDs better than normal and 53 HDDs higher than the same week a year ago. For the current week ending December 14th the Climate Prediction Center is forecasting just 187 HDDs. This weekly total would be 31 HDDs less than normal and 7 less than same week a year ago.

Early Market Call - as of 8:25 AM EDT

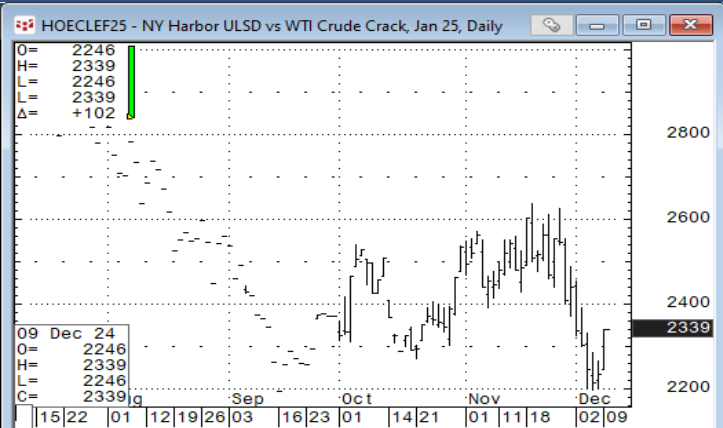
- WTI - Jan \$68.12, down 25 cents
- RBOB - Jan \$1.9516, down 9 points
- HO - Jan \$2.1814, down 21 points

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.1835	0.0509	0.0058
Feb-25	2.1880	0.0488	0.0099
Mar-25	2.1787	0.0460	0.0095
Apr-25	2.1649	0.0439	0.0090
May-25	2.1569	0.0416	0.0103
Jun-25	2.1535	0.0401	0.0121
Jul-25	2.1610	0.0386	0.0142
Aug-25	2.1691	0.0373	0.0153
Sep-25	2.1779	0.0361	0.0149
Oct-25	2.1859	0.0347	0.0135
Nov-25	2.1913	0.0334	0.0124
Dec-25	2.1955	0.0327	0.0121
Jan-26	2.2014	0.0325	0.0118
Feb-26	2.2011	0.0326	0.0119
Mar-26	2.1930	0.0325	0.0122
Apr-26	2.1786	0.0324	0.0127
May-26	2.1696	0.0323	0.0133

Sprague HeatCurve October 2025-April 2026		\$2.1947
	Close	Change
Crude - WTI	\$68.0900	\$1.1100
Crude - Brent	\$72.1400	\$1.0200
Natural Gas	\$3.1820	\$0.1060
Gasoline	\$1.9525	\$0.0463



January Heating Oil Crack Spread



Heating Degree Days

