

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market retraced some early losses and ended the session up after the market had been pressured by concerns about global demand. Interest rates are now expected to remain higher in 2025 than previously expected after the Federal Reserve on Wednesday signaled it may slow the pace of interest rate cuts next year, which could curb demand and keep the dollar strong. Early in the session, the market was pressured as the dollar traded to a two year high. The oil market retraced more than 50% of its move from a low of \$66.71 to a high of \$71.00 as it posted a low of \$68.42 early in the morning amid the recent bearish sentiment in the market. However, the market bounced off its low and retraced its earlier losses amid some short covering ahead of the weekend. The February WTI contract posted a high of \$69.85 in afternoon trading and settled up 8 cents at \$69.46. The February Brent contract settled up 6 cents at \$72.94. The product markets ended the session in mixed territory, with the heating oil market settling down 6 points at \$2.2317 and the RB market settling up 1.88 cents at \$1.9416.

Technical Analysis: The oil market will remain driven by economic news and will likely see volume lighten up amid the holidays. The crude market is seen finding resistance at its high of \$69.85, \$70.58, \$70.80, \$71.00 followed by \$71.51 and \$71.97. Support is however seen at \$68.42, \$68.35, \$68.12, \$67.45, \$66.85 and \$66.71.

Fundamental News: U.S. President-elect Donald Trump said that the European Union must purchase more U.S. oil and gas to make up for its "tremendous deficit" with the world's largest economy or face tariffs on its exports that include goods such as cars and machinery. No extra volumes are currently available as the U.S. is exporting at capacity but President elect Trump has pledged to further increase the country's oil and gas production. The European Commission said it was ready to discuss with Trump how to strengthen what it described as an already strong relationship, including the energy sector.

The Kremlin said that any new G7 sanctions on Russia's oil industry would backfire and that it would act to minimize the consequences of any such move and adapt. On Thursday, Bloomberg News reported that G7 countries are exploring options to toughen the price cap on Russian oil, including essentially replacing the mechanism with a full ban on handling Russian crude to lowering the price threshold from the current \$60/barrel to about \$40/barrel.

Baker Hughes reported U.S. energy firms kept the number of oil and natural gas rigs unchanged for a second consecutive week. The oil and gas rig count remained at 589 in the week ending December 20th. It reported that the number of rigs drilling for oil in the U.S. increased by 1 to 483 and the number of rigs drilling for natural gas fell by 1 to 102.

IIR Energy reported that U.S. oil refiners are expected to shut in about 128,000 bpd of capacity in the week ending December 20th, increasing available refining capacity by 37,000 bpd. Offline capacity is expected to fall to 25,000 bpd in the week ending December 27th and then increase to 83,000 bpd in the week ending January 3rd.

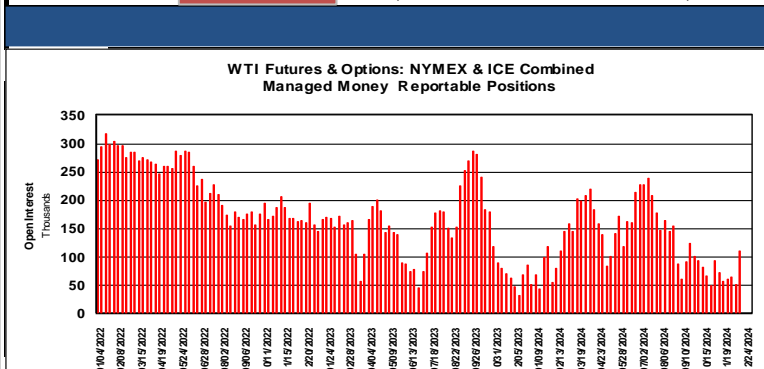
U.S. consumer spending increased in November amid strong demand for goods and services. The Commerce Department reported that consumer spending increased 0.4% in November after a downwardly revised 0.3% gain in October. It reported that personal income increased 0.3%, while the saving rate fell to 4.4% from 4.5% in October. The Personal Consumption Expenditures price index increased 0.1% in November after an unrevised 0.2% gain in October.

Early Market Call - as of 8:20 AM EDT

WTI - Feb \$69.22, down 24 cents
 RBOB - Jan \$1.9397, down 19 points
 HO - Jan \$2.2377, up 60 points

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2317	-0.0060	-0.0383
Feb-25	2.2364	-0.0052	-0.0372
Mar-25	2.2221	-0.0052	-0.0402
Apr-25	2.1981	-0.0060	-0.0442
May-25	2.1809	-0.0069	-0.0476
Jun-25	2.1724	-0.0065	-0.0487
Jul-25	2.1726	-0.0062	-0.0518
Aug-25	2.1753	-0.0059	-0.0536
Sep-25	2.1801	-0.0057	-0.0550
Oct-25	2.1846	-0.0058	-0.0563
Nov-25	2.1870	-0.0060	-0.0562
Dec-25	2.1884	-0.0062	-0.0556
Jan-26	2.1935	-0.0059	-0.0544
Feb-26	2.1923	-0.0055	-0.0532
Mar-26	2.1837	-0.0055	-0.0519
Apr-26	2.1688	-0.0056	-0.0507
May-26	2.1593	-0.0055	-0.0495

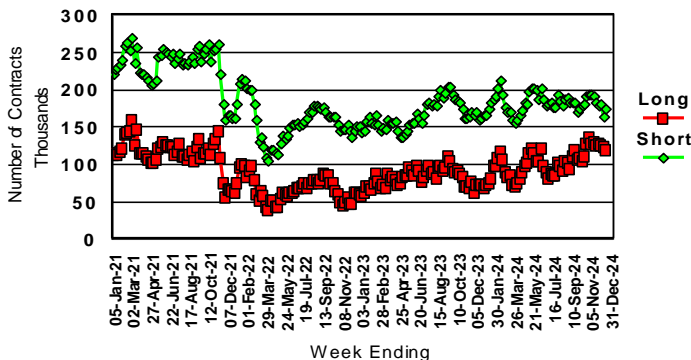
Sprague HeatCurve October 2025-April 2026		\$2.1873
	Close	Change
Crude - WTI	\$69.4600	\$0.0800
Crude - Brent	\$72.9400	\$0.0600
Natural Gas	\$3.7480	\$0.1640
Gasoline	\$1.9416	\$0.0188



Commitment of Traders Report for the Week Ending December 17, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

