

Market Commentary

Recap: The oil market traded lower on Monday at the start of what is expected to be a light trading week due to the Christmas holiday. The crude market posted a high of \$69.94 in overnight trading as the market stabilized after data on Friday showed lower than expected U.S. inflation, with the personal consumption expenditures price index increasing 0.1% in November following a 0.2% gain in October. However, the market erased its gains and sold off to a low of 68.59 by mid-day. The oil market was pressured after Macquarie analysts projected an increasing surplus for next year. The market was also pressured by the strength in the U.S. dollar, which was trading around two-year highs on Monday after it reached that level on Friday. It later bounced off its low and retraced some of its earlier losses ahead of the close. The February WTI contract settled down 22 cents at \$69.24 and the February Brent contract settled down 31 cents at \$72.63. The product markets ended the session lower, with the heating oil market settling down 54 points at \$2.2263 and the RB market settling down 33 points at \$1.9383.

Technical Analysis: The crude market will likely retrace some of its losses and trade mostly sideways during Tuesday's shortened trading session ahead of the Christmas holiday. The market will find some support ahead of the release of the APIs later on Tuesday afternoon, which are expected to show draws across the board, with draws of 2 million barrels in crude stocks, draws of 1.1 million barrels in distillates stocks and draws of 2.7 million barrels in gasoline stocks. The market is seen finding support at its low of \$68.59, \$68.42, \$68.35, \$68.12, \$67.45, \$66.85 and \$66.71. Meanwhile, resistance is seen at \$69.94, \$70.58, \$70.80, \$71.00 followed by \$71.51 and \$71.97.

Fundamental News: On Sunday, Hungary's Foreign Minister, Peter Szijarto, said oil shipments have resumed via Russia's Druzhba pipeline to Hungary. Russian and Kazakh oil flows to Hungary, Slovakia, the Czech Republic and Germany via the Druzhba pipeline stopped on Thursday due to technical problems at a Russian pumping station.

IIR Energy said U.S. oil refiners are expected to shut in about 25,000 bpd of capacity in the week ending December 27th, increasing available refining capacity by 103,000 bpd. Offline capacity is expected to increase to 83,000 bpd in the week ending January 3rd.

Valero reported an unanticipated intermittent process unit upset on Saturday, December 21st at its 89,000 bpd Three Rivers, Texas refinery.

New orders for U.S.-manufactured capital goods increased in November amid strong demand for machinery and electrical products, offering more signs that the economy is on solid footing as the year ends. The Commerce Department's Census Bureau said non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, rebounded 0.7% after falling 0.1% in October. Core capital goods shipments increased 0.4% on the year. Orders for durable goods fell 1.1% after increasing 0.8% in October. The declines mostly reflected the weakness in commercial aircraft orders.

U.S. consumer confidence unexpectedly weakened in December as the post-election strength fizzled and concerns about future business conditions emerged. The Conference Board said its consumer confidence index fell to 104.7 in December from an upwardly revised 112.8 in November.

Early Market Call - as of 7:25 AM EDT

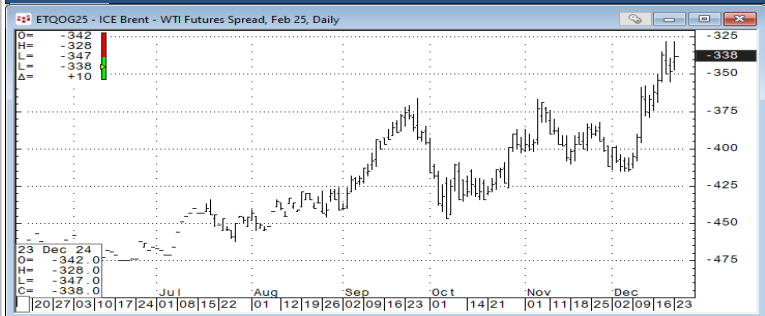
WTI - Feb \$69.76, up 52 cents
 RBOB - Jan \$1.9452, up 69 points
 HO - Jan \$2.2311, up 48 points

All NYMEX | Prior Settlements

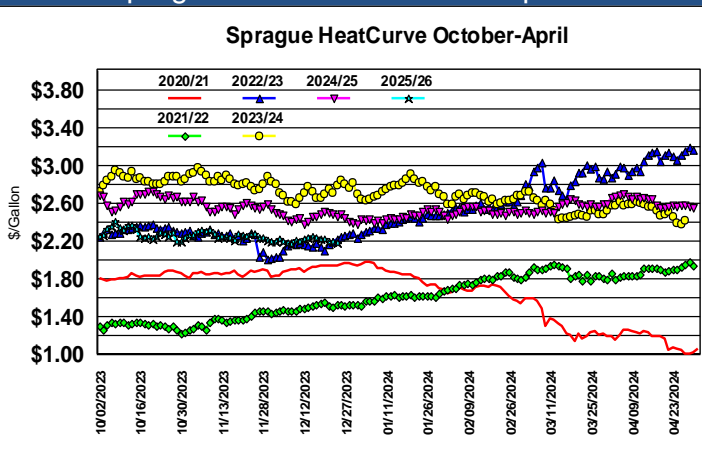
	USLD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2263	-0.0054	-0.0377
Feb-25	2.2303	-0.0061	-0.0363
Mar-25	2.2148	-0.0073	-0.0389
Apr-25	2.1888	-0.0093	-0.0450
May-25	2.1704	-0.0105	-0.0488
Jun-25	2.1618	-0.0106	-0.0490
Jul-25	2.1626	-0.0100	-0.0511
Aug-25	2.1653	-0.0100	-0.0525
Sep-25	2.1704	-0.0097	-0.0535
Oct-25	2.1752	-0.0094	-0.0545
Nov-25	2.1781	-0.0089	-0.0547
Dec-25	2.1800	-0.0084	-0.0542
Jan-26	2.1856	-0.0079	-0.0530
Feb-26	2.1847	-0.0076	-0.0516
Mar-26	2.1762	-0.0075	-0.0506
Apr-26	2.1617	-0.0071	-0.0497
May-26	2.1524	-0.0069	-0.0485

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;"> Jan Brent-WTI Spread \$3.39 </div>	\$69.2400	-\$0.2200
Crude - Brent		\$72.6300	-\$0.3100
Natural Gas		\$3.6560	-\$0.0920
Gasoline		\$1.9383	-\$0.0033

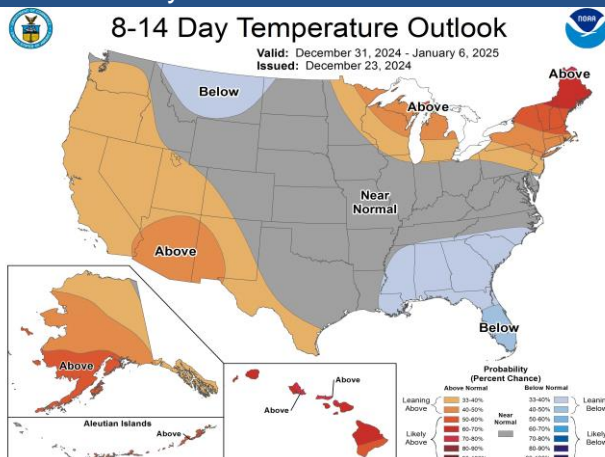
ICE February Brent-WTI Spread



Sprague HeatCurve October-April



8-14 Day Weather Forecast



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