

Market Commentary

Recap: The oil market on Thursday in thin holiday trading posted an outside trading day as the market sold off from its highs to its low ahead of the close. Early in the session, the market was driven higher by hopes that China's economic stimulus will help increase demand next year. The market was also supported that the API report late Tuesday showing a decline of 3.2 million barrels in crude oil inventories. The crude market rallied to a high of \$70.75 by mid-morning on news that Chinese authorities on Tuesday agreed to issue \$411 billion worth of special treasury bonds next year as the country increases its fiscal stimulus to support the economy. However, the market erased its gains and sold off sharply to a low of \$69.33 ahead of the close. The February WTI contract settled down 48 cents at \$69.62, while the February Brent contract settled down 32 cents at \$73.26. The product markets ended the session lower, with the heating oil market settling down 1.62 cents at \$2.2053 and the RB market settling down 1.31 cents at \$1.9458.

Technical Analysis: The crude market on Friday will remain lightly traded ahead of the weekend and will remain range bound from around \$68 to \$71. The market will seek further direction from the EIA's weekly petroleum stocks report scheduled to be released on Friday afternoon. The inventory report is expected to show draws across the board, with a draw of close to 2 million barrels in crude stocks. The market is seen finding support at its low of \$69.88, \$69.36, \$68.85, \$68.59, \$68.42, \$68.35 and \$68.12. Meanwhile, resistance is seen at \$70.75, \$71.00 followed by \$71.51 and \$71.97.

Fundamental News: According to Kpler, European Union and UK gasoline exports were set to fall in December to 874,000 bpd from 1.12 million bpd in November. Kpler data also showed that European Union and UK gasoil and diesel imports were set to fall in December to around 928,000 bpd from 1.06 million bpd in November.

Several traders and a Chinese industry consultancy JLC said China has issued 19 million metric tons of export quotas for gasoline, diesel and aviation fuel under the batch of allowances for 2025, a level that is steady versus a year earlier. State-owned oil firms Sinopec and CNPC were given a combined 13.34 million ton allowances or 70% out of the 19 million tons. Meanwhile, private refiner Zhejiang Petrochemical Corp was awarded 1.67 million tons of export quotas in this batch. Separately, China has also released 8 million tons of low-sulfur marine fuel export quotas for the first issue of 2025, also flat compared with a year ago. Of the total, around 90% were allotted to Sinopec and CNPC. For the first 11 months of 2024, China's exports of refined oil products, including mostly gasoline, diesel, aviation fuel and marine bunker, totaled 54.4 million tons, down 6.3% versus the corresponding period of 2023.

Shipping agent Tribeca said southbound traffic in Turkey's Bosphorus Strait will resume on Thursday afternoon after it was halted earlier in the day after a tanker suffered an engine failure during northbound transit through Istanbul.

Marathon Petroleum Corp reported a planned flare event from December 27th-January 3rd at its 365,000 bpd Carson, California refinery.

Russia's Foreign Minister, Sergei Lavrov, said the country sees no point in a weak ceasefire to freeze the war in Ukraine but added that Russia wants a legally binding deal for a lasting peace that would ensure the security of both Russia and its neighbors.

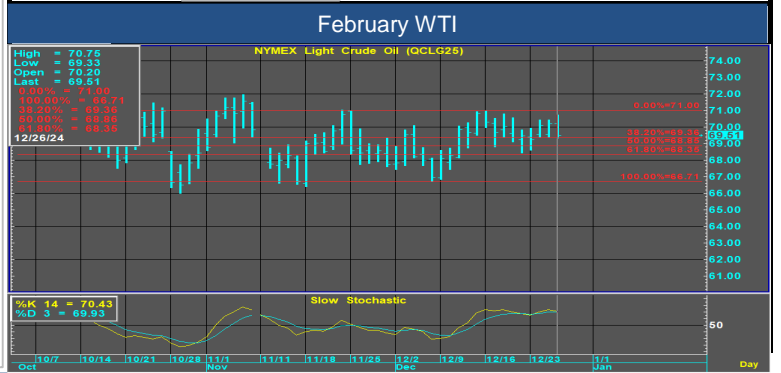
Early Market Call - as of 8:30 AM EDT

WTI - Feb \$70.25, up 63 cents
 RBOB - Jan \$1.9577, up 1.19 cents
 HO - Jan \$2.2360, up 3.07 cents

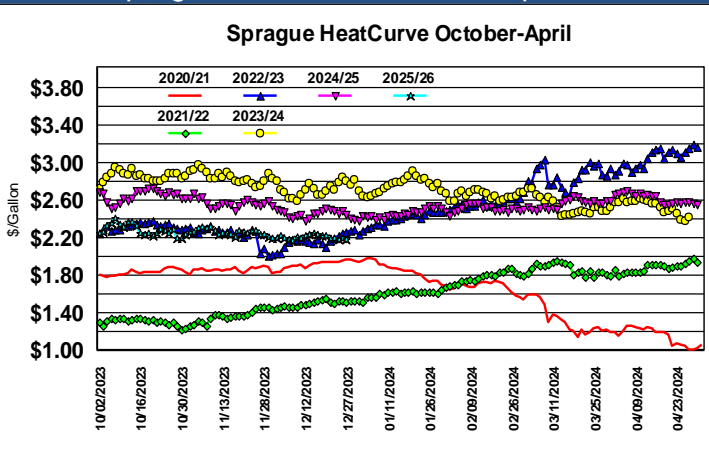
All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2053	-0.0162	-0.0324
Feb-25	2.2102	-0.0160	-0.0314
Mar-25	2.1991	-0.0141	-0.0282
Apr-25	2.1763	-0.0129	-0.0278
May-25	2.1618	-0.0110	-0.0260
Jun-25	2.1556	-0.0103	-0.0233
Jul-25	2.1586	-0.0096	-0.0202
Aug-25	2.1619	-0.0095	-0.0193
Sep-25	2.1663	-0.0097	-0.0195
Oct-25	2.1700	-0.0102	-0.0204
Nov-25	2.1733	-0.0094	-0.0197
Dec-25	2.1747	-0.0093	-0.0199
Jan-26	2.1803	-0.0092	-0.0191
Feb-26	2.1793	-0.0091	-0.0185
Mar-26	2.1704	-0.0091	-0.0188
Apr-26	2.1555	-0.0090	-0.0189
May-26	2.1457	-0.0090	-0.0191

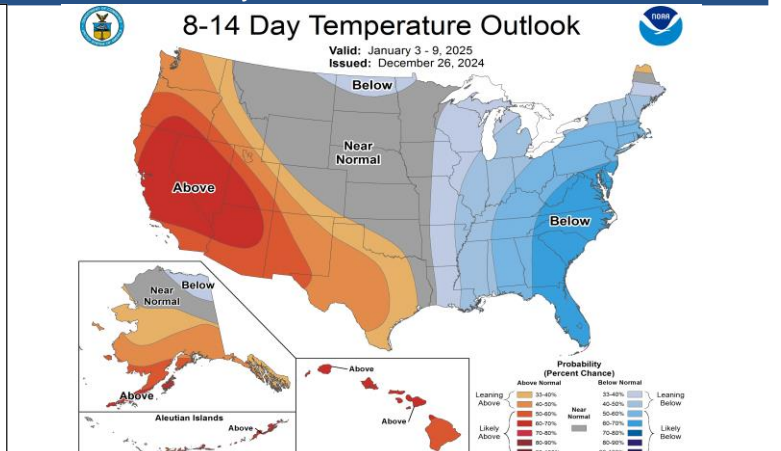
Sprague HeatCurve October 2025-April 2026		\$2.1739
	Close	Change
Crude - WTI	\$69.6200	-\$0.4800
Crude - Brent	\$73.2600	-\$0.3200
Natural Gas	\$3.7150	-\$0.2310
Gasoline	\$1.9458	-\$0.0131



Sprague HeatCurve October-April



8-14 Day Weather Forecast



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