

Market Commentary

Recap: The crude market posted an inside trading day as the market weighed the draws reported in crude inventories against central banks in the U.S. as well Europe and Asia signaling caution over easing monetary policy and increasing concerns that weak economic activity that could cut demand for oil next year. The oil market retraced some of Wednesday's losses and traded to a high of \$71.26 by mid-morning. However, the market's gains remained limited by the Fed's signal on Wednesday that it would slow the pace of interest rate cuts next year. The expiring January WTI contract sold off to a low of \$69.70 ahead of the close. The January WTI contract went off the board down 67 cents at \$69.91, while the February WTI contract settled down 64 cents at \$69.38 after posting a range from \$70.58 to \$69.11. The February Brent contract settled down 51 cents at \$72.88. The product markets ended the session lower, with the heating oil market settling down 1.73 cents at \$2.2377 and the RB market settling down 2 cents at \$1.9228.

Technical Analysis: The oil market on Friday is seen remaining range bound ahead of the weekend as the market remains driven by the Federal Reserve's signal that it will slow the pace of its interest rate cuts in 2025. The February WTI contract is seen finding support at its low of \$69.11, \$68.85, \$68.81, \$68.74, \$68.35 and \$68.12. Meanwhile, resistance is seen at its high of \$70.58, \$70.80, \$71.00 followed by \$71.51 and \$71.97.

Fundamental News: J.P. Morgan expects the price of Brent crude to fall to \$73/barrel in 2025. It expects Brent prices to fall below \$70/barrel by the end of 2025, with WTI crude ending the year at \$64/barrel, if OPEC's current production levels remain in place. Bloomberg reported that Group of Seven nations are considering ways to toughen the price cap on Russian oil. Sources stated that options under consideration include replacing the mechanism with a full ban on handling Russian crude to lowering the price threshold from the current level of \$60/barrel to \$40/barrel. As they weigh the options, G-7 nations are looking to balance the potential economic impact of any measures with other issues such as maritime safety, with some arguing that trade could benefit from Russia using more reliable operators.

Insights Global reported that gasoline stocks held in the Amsterdam-Rotterdam-Antwerp storage hub in the week ending December 19th increased by 0.88% on the week and by 39.47% on the year to 1.371 million tons, while gasoil stocks increased by 2.68% on the week and by 24.64% on the year to 2.18 million tons and fuel oil stocks fell by 0.85% on the week but increased by 3.65% on the year to 1.277 million tons. Naphtha stocks fell by 3.46% on the week but increased by 110.57% on the year to 558,000 tons and jet kero stocks fell by 2.38% on the week but increased by 26.33% on the year to 902,000 tons.

The EPA reported that the U.S. generated 732 million biodiesel (D4) blending credits in November, down from 784 million in October. It also reported that the U.S. generated 1.19 billion ethanol (D6) blending credits in November, down from 1.27 billion in October.

The U.S. economy grew faster than previously estimated in the third quarter, driven by strong consumer spending. The Commerce Department's Bureau of Economic Analysis said in its third estimate of third-quarter GDP that U.S. GDP increased at an upwardly revised 3.1% annualized rate. The economy was previously reported to have expanded at a 2.8% pace last quarter. The economy grew at a 3.0% pace in the April-June quarter. Consumer spending, which accounts for more than two-thirds of economic activity, grew at a 3.7% pace. That was revised up from the previously estimated 3.5% rate.

Early Market Call - as of 8:10 AM EDT

WTI - Feb \$69.08, down 30 cents
 RBOB - Jan \$1.9228, unchanged
 HO - Jan \$2.2210, down 1.67 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2377	-0.0173	0.0011
Feb-25	2.2416	-0.0168	-0.0008
Mar-25	2.2273	-0.0160	-0.0046
Apr-25	2.2041	-0.0160	-0.0101
May-25	2.1878	-0.0158	-0.0150
Jun-25	2.1789	-0.0159	-0.0174
Jul-25	2.1788	-0.0166	-0.0220
Aug-25	2.1812	-0.0174	-0.0250
Sep-25	2.1858	-0.0183	-0.0269
Oct-25	2.1904	-0.0186	-0.0282
Nov-25	2.1930	-0.0186	-0.0288
Dec-25	2.1946	-0.0182	-0.0289
Jan-26	2.1994	-0.0179	-0.0289
Feb-26	2.1978	-0.0176	-0.0289
Mar-26	2.1890	-0.0174	-0.0284
Apr-26	2.1744	-0.0165	-0.0273
May-26	2.1648	-0.0155	-0.0266

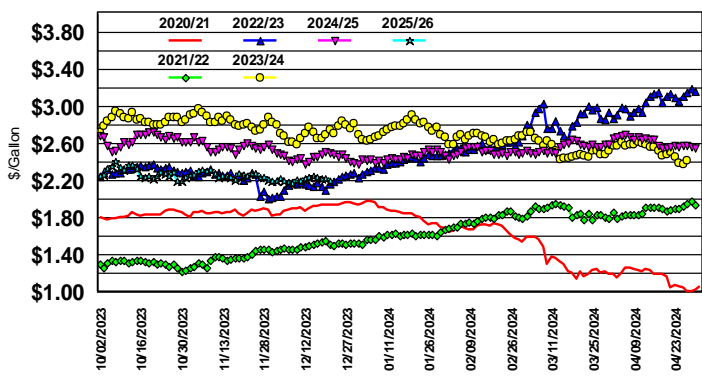
Sprague HeatCurve October 2025-April 2026		\$2.1933
	Close	Change
Crude - WTI	\$69.3800	-\$0.6400
Crude - Brent	\$72.8800	-\$0.5100
Natural Gas	\$3.5840	\$0.2100
Gasoline	\$1.9228	-\$0.0200

EIA Working Gas Storage Report

	13-Dec-24	06-Dec-24	Change	13-Dec-23
East	822	856	-34	841
Midwest	1007	1055	-48	1,031
Mountain	274	282	-8	238
Pacific	296	302	-6	285
South Central	1222	1251	-29	1,208
Salt	338	340	-2	332
Nonsalt	884	911	-27	875
Total	3622	3747	-125	3,602

Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast

