

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** On Friday, the oil market continued to trend higher as the market remained supported by optimism about a rebound in China's economy, which could support demand this year. The market's strength has been driven following the Chinese government's announcement of further stimulus and its concerted push to accelerate the country's economic growth. The market opened relatively unchanged at \$73.13 and posted a low of \$72.70 in overnight trading. However, the market bounced off its low and rallied higher, breaching Thursday's high by mid-morning. The market was also supported from expected increased demand for heating oil amid short term forecasts calling for colder weather in some regions. The market rallied to a high of \$74.35 in afternoon trading and settled in a sideways trading range ahead of the close. The February WTI contract ended the session up 86 cents at \$73.96, while the March Brent contract settled up 58 cents at \$76.51. However, the product markets ended in mixed territory, with the heating oil market settling down 62 points at \$2.3478 as the updated weather forecasts showed less cold temperatures than previously expected in the eastern half of the country. The RB market settled up 18 points at \$2.0537.

**Technical Analysis:** The oil market on Monday will likely retrace some of its recent gains and trend sideways following its recent strength as the market awaits for positive signs regarding China's economy to emerge. It will remain headline driven. Resistance is seen at its high of \$74.35 and \$76.41. The market is seen finding support at its low of \$72.70, \$71.79, \$71.70, \$71.08 followed by \$70.87, \$70.45 and \$70.12.

**Fundamental News:** White House National Security spokesperson, John Kirby, said the Biden administration is urging Hamas to sign on to a new ceasefire deal that would ensure the release of hostages. He said the White House welcomed Israel's decision to send another team to Doha to continue negotiations. The Biden administration is making a final push to help broker a ceasefire deal between Israel and Hamas in its final weeks, to end the fighting in Gaza and secure the release of Hamas-held hostages there.

IIR Energy said U.S. oil refiners are expected to shut in about 240,000 bpd of capacity in the week ending January 3<sup>rd</sup>, decreasing available refining capacity by 199,000 bpd. Offline capacity is expected to increase to 961,000 bpd in the week ending January 10<sup>th</sup> and then to 1.61 million bpd in the week ending January 17<sup>th</sup>.

Baker Hughes reported that U.S. energy firms this week kept the number of oil and natural gas rigs unchanged for the fourth consecutive week. The oil and gas rig count remained at 589 in the week ending January 3<sup>rd</sup>. Baker Hughes said oil rigs were down one rig to 482 this week, while gas rigs increased by one to 103.

Shell is restarting a unit at its 85,000 bpd Sarnia refinery.

U.S. manufacturing moved closer to recovery in December, with production rebounding and new orders increasing further. The Institute for Supply Management said that its manufacturing PMI increased to 49.3 in December, the highest reading since March, from 48.4 in November. The ISM survey's forward-looking new orders sub-index increased to 52.5 in December from 50.4 in November, which marked the first expansion since March. Production at factories rebounded after contracting for months.

**Early Market Call - as of 8:30 AM EDT**

WTI - Feb \$74.29, up 33 cents  
 RBOB - Feb \$2.0614, up 77 points  
 HO - Feb \$2.3681, up 2.05 cents

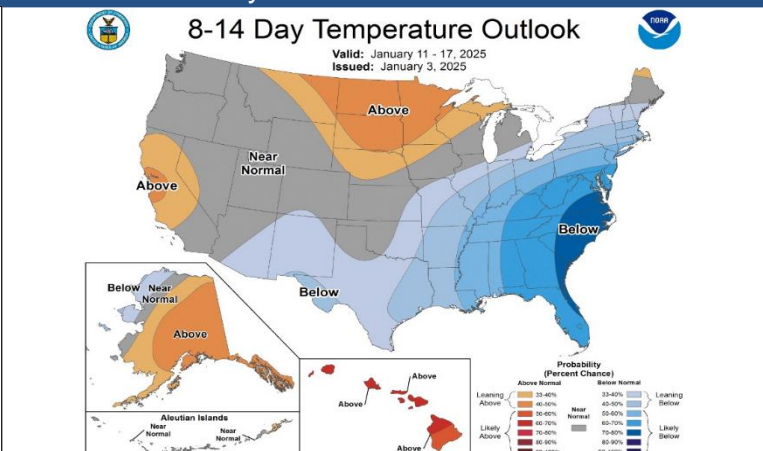
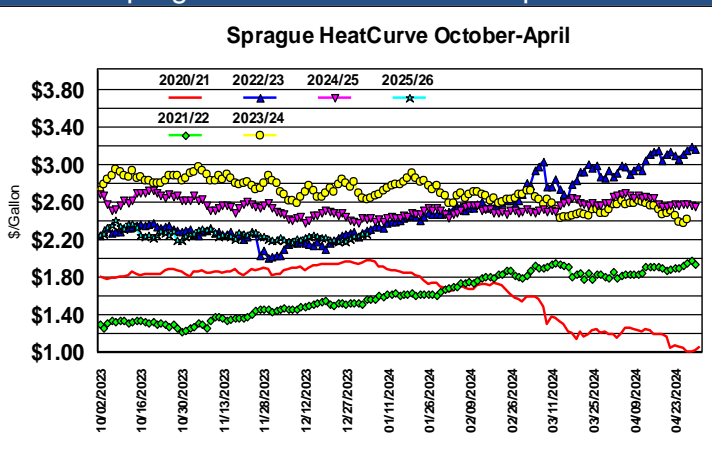
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.3478	-0.0062	0.0979
Mar-25	2.3303	-0.0028	0.0945
Apr-25	2.2980	-0.0012	0.0886
May-25	2.2745	-0.0012	0.0820
Jun-25	2.2601	-0.0015	0.0751
Jul-25	2.2601	-0.0007	0.0730
Aug-25	2.2620	-0.0002	0.0722
Sep-25	2.2652	0.0001	0.0715
Oct-25	2.2679	0.0008	0.0709
Nov-25	2.2668	0.0010	0.0688
Dec-25	2.2630	0.0005	0.0653
Jan-26	2.2653	-0.0003	0.0630
Feb-26	2.2617	-0.0010	0.0608
Mar-26	2.2499	-0.0016	0.0587
Apr-26	2.2312	-0.0024	0.0559
May-26	2.2181	-0.0029	0.0536
Jun-26	2.2601	0.0486	0.1036

Sprague HeatCurve October 2025-April 2026		\$2.2592
	Close	Change
Crude - WTI	\$73.2100	\$0.7100
Crude - Brent	\$76.5100	\$0.5800
Natural Gas	\$3.3540	-\$0.3060
Gasoline	\$2.0537	\$0.0018

EIA Working Gas Storage Report				
	27-Dec-24	20-Dec-24	Change	27-Dec-23
East	745	792	-47	801
Midwest	914	960	-46	973
Mountain	262	267	-5	229
Pacific	295	293	2	280
South Central	1197	1217	-20	1,197
Salt	349	349	0	340
Nonsalt	848	868	-20	857
Total	3413	3529	-116	3,480

## Sprague HeatCurve October-April

## 8-14 Day Weather Forecast



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