

## Market Commentary

**Recap:** The oil market ended the session lower on Monday after it gave up some of its previous sharp gains after being in technically overbought territory over the last few sessions. Earlier in the session, the crude market was well supported by a weaker U.S. dollar and expectations of tighter sanctions against Russia and Iran following the news that the Biden administration was planning on imposing more sanctions on Russia over its war on Ukraine. It is planning to impose sanctions on tankers carrying Russian oil. The market rallied to a high of \$74.99 by mid-morning before it erased its gains after failing to test the \$75 level. It sold off to a low of \$73.20 in afternoon trading. The February WTI contract settled down 40 cents at \$73.56 and the March Brent contract settled down 21 cents at \$76.30. Meanwhile, the product markets ended the session mixed, with the heating oil market settling up 74 points at \$2.3552 and the RB market settling down 1.82 cents at \$2.0355.

**Technical Analysis:** The crude market is seen trending sideways after failing to test its resistance at the \$75 level as traders position themselves ahead of the release of the weekly petroleum stocks reports on Tuesday evening and Wednesday morning. The inventory reports are expected to show small draws in crude stocks and builds in product stocks. Technically, the crude market is seen finding support at its low of \$73.20, \$72.70, \$71.83, \$71.79, \$70.87, \$70.12 and \$69.87. Meanwhile, resistance is seen at \$74.00, \$74.99 and \$76.41.

**Fundamental News:** U.S. President Joe Biden will ban new offshore oil and gas development along most U.S. coastlines. The White House said President Biden will use his authority under the 70-year-old Outer Continental Shelf Lands Act to protect all federal waters off the East and West coasts, the eastern Gulf of Mexico and portions of the northern Bering Sea in Alaska. The ban will affect 625 million acres or 253 million hectares of ocean. President Biden said the move was aligned with both his climate change agenda and his goal to conserve 30% of U.S. lands and waters by 2030. He also invoked the 2010 Deepwater Horizon oil spill in the Gulf of Mexico, saying the low drilling potential of the areas included in the ban did not justify the public health and economic risks of future leasing. American Petroleum Institute President Mike Sommers said the decision would harm American energy security and should be reversed by Congress. Environmental group Oceana called it a victory for Americans who depend on clean coastlines and fisheries.

Source stated that the Biden administration plans to impose more sanctions on Russia over its war on Ukraine, taking aim at its oil revenues with action against tankers carrying Russian crude. The Biden administration is planning sanctions on tankers that carry Russian oil sold above the West's \$60/barrel price cap. A source said the sanctions were likely to target some of the people involved in the networks trading oil above the price cap.

Vortexa reported today that crude oil stored on tankers that have been stationary for at least seven days fell by -33% w/w to 48.02 million bbl in the week ended January 3. IIR Energy reported that U.S. oil refiners are expected to shut in about 928,000 bpd of capacity in the week ending January 10<sup>th</sup>, cutting available refining capacity by 688,000 bpd. Offline capacity is expected to increase to 1.61 million bpd in the week ending January 17<sup>th</sup>.

**Early Market Call - as of 8:35 AM EDT**

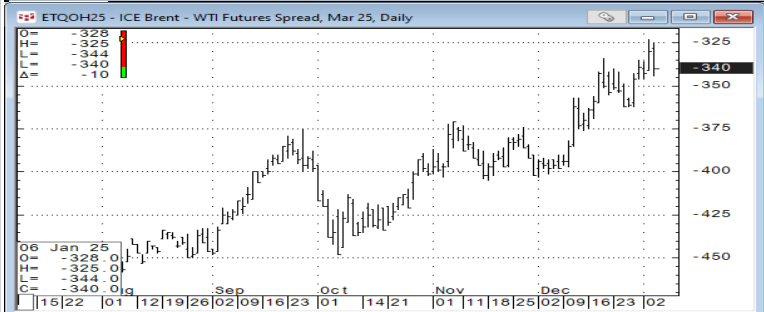
WTI - Feb \$73.92, up 36 cents  
 RBOB - Feb \$2.0326, down 29 points  
 HO - Feb \$2.3565, up 13 points

## All NYMEX | Prior Settlements

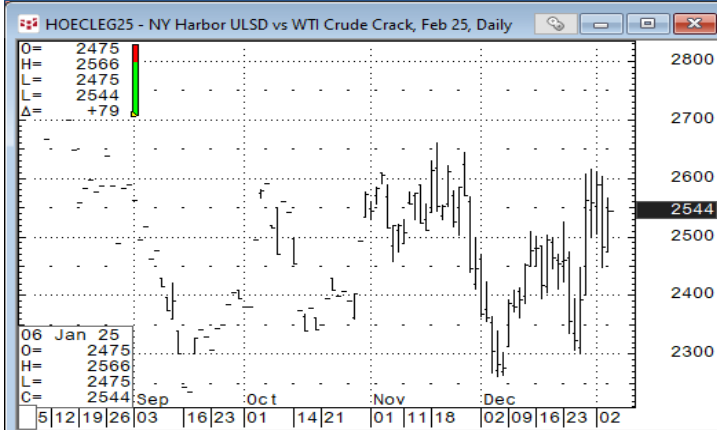
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.3552	0.0074	0.0540
Mar-25	2.3353	0.0050	0.0553
Apr-25	2.3009	0.0029	0.0533
May-25	2.2759	0.0014	0.0486
Jun-25	2.2606	0.0005	0.0442
Jul-25	2.2601	0.0000	0.0431
Aug-25	2.2602	-0.0018	0.0412
Sep-25	2.2656	0.0004	0.0431
Oct-25	2.2684	0.0005	0.0435
Nov-25	2.2675	0.0007	0.0427
Dec-25	2.2634	0.0004	0.0400
Jan-26	2.2652	-0.0001	0.0375
Feb-26	2.2612	-0.0005	0.0352
Mar-26	2.2496	-0.0003	0.0336
Apr-26	2.2309	-0.0003	0.0314
May-26	2.2180	-0.0001	0.0299
Jun-26	2.2606	0.0523	0.0807

Sprague HeatCurve October 2025-April 2026		\$2.2592
	Close	Change
Crude - WTI	\$72.9200	-\$0.2900
Crude - Brent	\$76.3000	-\$0.2100
Natural Gas	\$3.6720	\$0.3180
Gasoline	\$2.0355	-\$0.0182

### ICE March Brent-WTI Spread



## February Heating Oil Crack Spread



## February RBOB Crack Spread

