

Market Commentary

Recap: The crude market on Friday traded lower but posted a fourth consecutive week of gains as the market waits to see if there are any supply disruptions based on the latest U.S. sanctions imposed against Russia. Traders were also assessing potential implications of President-elect Donald Trump's return to the White House on Monday, with his nominee for Treasury Secretary on Thursday stating that he was ready to impose tougher sanctions on Russian oil. Also, weighing on the market were expectations of a halt in attacks by Houthis militia on ships in the Red Sea in the wake of the Gaza ceasefire deal. The oil market posted a high of \$79.44 in overnight trading before it continued to erase its previous gains. The market sold off to a low of \$77.76 by mid-day and settled in a sideways trading range during the remainder of the session. The February WTI contract ended the session down 80 cents at \$77.88 and the March Brent contract settled down 50 cents at \$80.79. The product markets also ended the session in mixed territory, with the heating oil market settling up 38 points at \$2.6210 and the RB market settling down 1.10 cents at \$2.1122.

Technical Analysis: The oil market on Tuesday will be driven by headlines over the long Martin Luther King, Jr. holiday and following the inauguration of President-elect Donald Trump as the market waits to see what the incoming Trump administration decides to do regarding sanctions on Russia's oil sector. The crude market is seen finding support at its low of \$77.76, \$77.24, \$76.54, \$75.40, \$74.02, \$73.74 followed by \$72.84, \$72.70 and \$72.08. Resistance is seen at its high of \$79.44, \$80.59 and \$80.77 followed by \$82.88, \$83.82 and \$84.52.

Fundamental News: Trading sources stated that freight rates for shipments of Russian oil from its western ports to India increased by 25% after the U.S. imposed sanctions on 183 vessels involved in Moscow's energy exports a week ago. The cost from the Black Sea port of Novorossiisk to India for Suezmax tankers, which can hold 140,000 metric tons, increased to around \$5.5 million for a one-way trip from \$4.3-\$4.5 million over the same period. In addition to the increase in freight rates, daily demurrage costs, the penalty for delayed vessels, increased to \$80,000-90,000 per day, compared with \$55,000-\$60,000 last week.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating for a second consecutive week to the lowest since December 2021. The oil and gas rig count fell by four to 580 in the week ending January 17th. Baker Hughes said oil rigs fell by two to 478 this week, their lowest since November, while gas rigs also fell by two to 98, their lowest since September.

North Dakota's Industrial Commission said oil production in North Dakota increased 43,000 bpd to 1,221,000 bpd in November. Oil operators in North Dakota are operating fewer rigs than last month. The rig count has declined to 31 from 37 in December.

IIR Energy reported that U.S. oil refiners are expected to shut about 1.10 million bpd of capacity in the week ending January 17th, cutting available refining capacity by 485,000 bpd.

The Colonial Pipeline said it restarted its main gasoline artery after it was shut earlier this week due to a leak in Paulding County, Georgia.

The International Monetary Fund raised its forecast for global growth in 2025 by one-tenth of a percentage point, with stronger-than-expected growth in the U.S. offsetting downward revisions in Germany, France and other major economies. In its latest World Economic Outlook, the IMF projected global growth of 3.3% in both 2025 and 2026, and said global headline inflation was set to fall to 4.2% in 2025 and 3.5% in 2026, allowing a further normalization of monetary policy and ending the global disruptions of recent years. The IMF said it raised its growth forecast for the United States to 2.7% based on strong labor markets and accelerating investment, an increase of half a percentage point from its October forecast, with growth expected to fall to 2.1% next year.

Early Market Call - as of 8:25 AM EDT

WTI - Feb \$75.95, down \$1.93

RBOB - Feb \$2.0860, down 2.62 cents

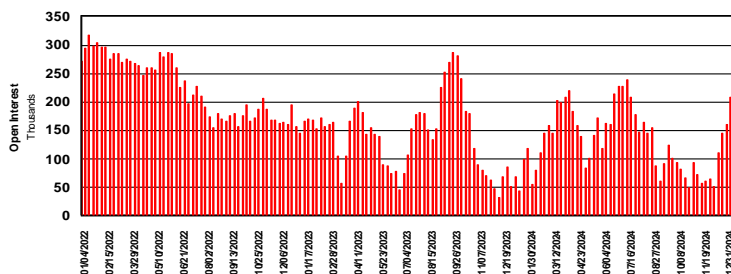
HO - Feb \$2.5457, down 7.53 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.6210	0.0038	0.1193
Mar-25	2.5616	-0.0047	0.0857
Apr-25	2.4947	-0.0054	0.0664
May-25	2.4417	-0.0049	0.0517
Jun-25	2.4025	-0.0019	0.0390
Jul-25	2.3874	-0.0014	0.0346
Aug-25	2.3771	-0.0018	0.0305
Sep-25	2.3723	-0.0028	0.0268
Oct-25	2.3676	-0.0036	0.0224
Nov-25	2.3603	-0.0037	0.0193
Dec-25	2.3517	-0.0028	0.0169
Jan-26	2.3487	-0.0018	0.0151
Feb-26	2.3403	-0.0009	0.0133
Mar-26	2.3255	-0.0002	0.0124
Apr-26	2.3042	0.0002	0.0115
May-26	2.2884	0.0005	0.0104
Jun-26	2.2760	0.0000	0.0098

Sprague HeatCurve October 2025-April 2026		\$2.3428
	Close	Change
Crude - WTI	\$77.3900	-\$0.4600
Crude - Brent	\$80.7900	-\$0.5000
Natural Gas	\$3.9480	-\$0.3100
Gasoline	\$2.1122	-\$0.0110

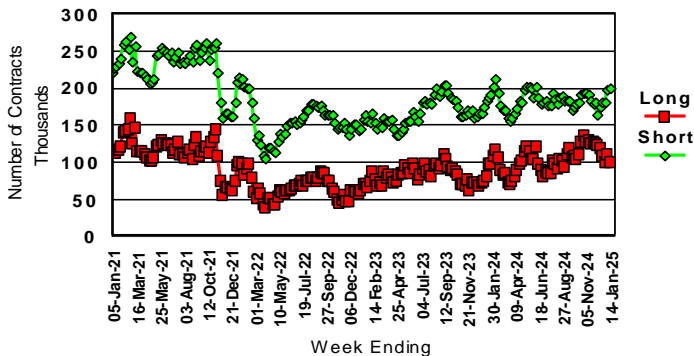
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 14, 2025

Producer/Merchant Heat Positions

CFTC Commitment of Traders Report



Managed Money Heat Positions

CFTC Commitment of Traders Report

