



MarketWatch | Refined Products

Wednesday, January 22, 2025

Market Commentary

Recap: The oil market traded lower on Tuesday in follow through selling seen during Monday's shortened trading session due to the observation of Martin Luther King, Jr. Day. The market remained pressured by expectations that the U.S. will increase its oil production under President Donald Trump's presidency. In his first day in office, President Trump declared a national energy emergency and laid out a plan to accelerate oil and gas permitting to increase the country's output. The crude market posted a high of \$78.47 and retraced almost 38% of its move from a low of \$66.71 to a high of \$80.77 as it sold off to a low of \$75.49 by mid-morning. The February WTI contract then settled in a sideways trading range ahead of its expiration at the close. The March contract sold off from a high of \$77.86 to a low of \$75.05 before it too traded sideways during the remainder of the session. The February WTI contract went off the board down \$1.99 at \$75.89 and the March WTI contract settled down \$1.56 at \$75.83. The March Brent contract settled down 86 cents at \$79.29. Meanwhile, the product markets ended the session lower, with the heating oil market settling down 6.29 cents at \$2.5581 and the RB market settling down 2.79 cents at \$2.0843.

Technical Analysis: The crude market will remain headline driven as the market continues to assess President Donald Trump's policies after stating that he was considering imposing 25% tariffs on imports from Canada and Mexico from February 1st, while he also stated that the U.S. would refill strategic reserves and would probably stop buying oil from Venezuela. The crude market is seen finding support at \$75.05, \$74.49, \$73.33, \$72.97, \$72.20, \$72.10 and \$71.45. Meanwhile, support is seen at its high of \$77.86, \$78.55 and \$79.39.

Fundamental News: President Donald Trump declared a national energy emergency aimed at increasing U.S. oil and gas production and lowering costs for U.S. consumers. The emergency declaration is one of many actions President Trump is expected to take to support the U.S. oil, gas and power industries and put a brake on former President Joe Biden's efforts to accelerate the electric vehicle industry. President Trump also said the U.S. will "fill our strategic reserves up again, right to the top" and export energy all over the world. Trump is also expected to sign another order aimed at utilizing natural resources in Alaska.

Saudi Aramco's Chief Executive, Amin Nasser, said he sees the oil market as healthy and expects an additional oil demand of about 1.3 million bpd this year.

On Monday, U.S. President Donald Trump signed an executive order repealing former President Joe Biden's efforts to block oil drilling in the Arctic and along large areas off the U.S. coasts. Earlier this month, former President Biden banned new offshore oil and gas development along most U.S. coastlines ahead of Trump taking office. The White House announced President Trump also repealed a 2023 memo that barred oil drilling in some 16 million acres in the Arctic. The oil drilling ban was one of dozens of actions taken by Biden that were repealed by Trump in his first day in office.

North Dakota's Pipeline Authority said the state's oil production was estimated to be down by between 130,000 bpd and 160,000 bpd due to extreme cold weather and related operational challenges. It also reported that associated wellhead natural gas production was estimated to be down by about 370 mcf to 450 mcf or about 11% of the state's natural gas output. Justin Kringstad, Director of North Dakota Pipeline Authority, said temperatures in the region will warm up in the coming days and the majority of lost production is expected to be back online over the next four to seven days.

Early Market Call - as of 8:30 AM EDT

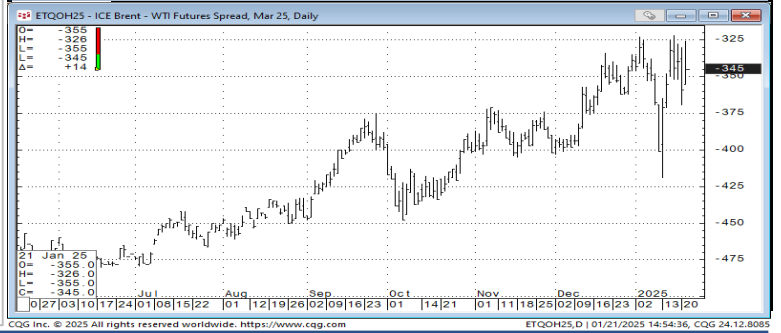
WTI - Mar \$75.65, down 17 cents
 RBOB - Feb \$2.0780, down 63 points
 HO - Feb \$2.5416, down 1.65 cents

All NYMEX | Prior Settlements

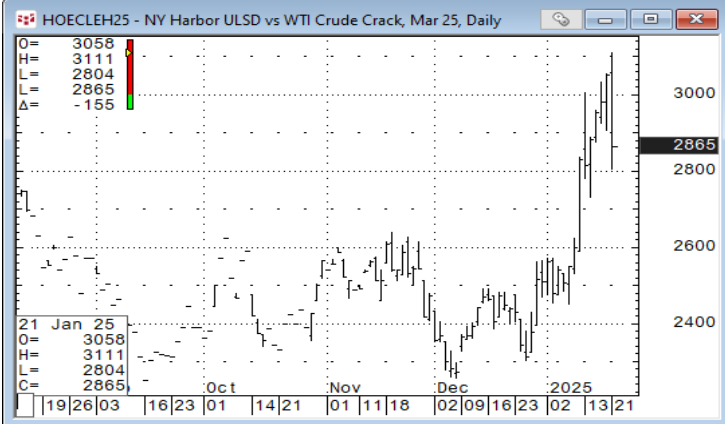
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.5581	-0.0629	0.0328
Mar-25	2.4832	-0.0784	-0.0155
Apr-25	2.4282	-0.0665	-0.0193
May-25	2.3877	-0.0540	-0.0170
Jun-25	2.3622	-0.0403	-0.0111
Jul-25	2.3540	-0.0334	-0.0094
Aug-25	2.3482	-0.0289	-0.0089
Sep-25	2.3457	-0.0266	-0.0083
Oct-25	2.3431	-0.0245	-0.0085
Nov-25	2.3381	-0.0222	-0.0086
Dec-25	2.3312	-0.0205	-0.0094
Jan-26	2.3293	-0.0194	-0.0088
Feb-26	2.3221	-0.0182	-0.0080
Mar-26	2.3078	-0.0177	-0.0075
Apr-26	2.2871	-0.0171	-0.0064
May-26	2.2719	-0.0165	-0.0058
Jun-26	2.2603	-0.0157	-0.0042

Sprague HeatCurve October 2025-April 2026		\$2.3233
	Close	Change
Crude - WTI	\$75.8300	-\$1.5600
Crude - Brent	\$79.2900	-\$0.8600
Natural Gas	\$3.7560	-\$0.1920
Gasoline	\$2.0843	-\$0.0279

ICE March Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread

