

Market Commentary

Recap: The crude oil market on Wednesday posted an inside trading day as the market continued to consider the implications of energy and trade policy under the Trump administration. The market was digesting how President Trump's proposed tariffs could affect global economic growth and demand for energy after he said his administration was discussing imposing a 10% tariff on goods imported from China and Mexico and Canada could face levies of about 25% starting February 1st. In overnight trading, the market posted a low of \$75.28 before it retraced its losses and posted a high of \$76.45. The market later erased some of its gains and traded in a sideways trading range during the remainder of the session. The March WTI contract settled down 45 cents at \$75.44 and the March Brent contract settled down 29 cents at \$79.00. The product markets ended the session in negative territory, with the heating oil market settling down 7.39 cents at \$2.4842 and the RB market settling down 2.65 cents at \$2.0578.

Technical Analysis: The oil market is seen trending sideways as the market awaits the release of the weekly petroleum stocks reports, which are expected to show draws in crude stocks of about 2 million barrels. The market is also seen remaining steady as it continues to assess the Trump administration's policies. The market is seen finding support at its low of \$75.28, \$75.05, \$74.49 followed by \$73.33, \$72.97, \$72.20, \$72.10 and \$71.45. Resistance is, however, seen at \$76.45, \$77.86, \$78.55 and \$79.39.

Fundamental News: Citi revised up its Brent crude price outlook to \$75/barrel in the first quarter of 2025, \$68/barrel for the second quarter, \$63/barrel in the third quarter and \$60/barrel in the fourth quarter, with 2025 averaging \$67/barrel. Its WTI price forecast was revised up to average \$63/barrel in 2025.

U.S. President Donald Trump threatened Russia "and other participating countries" with taxes, tariffs and sanctions if a deal to end the war in Ukraine is not struck soon. He did not identify the countries that he considered to be participants.

Platts is estimating that the current arctic outbreak has shut in some 2.5-3.0 bcf/d of natural gas production and some 750,000 b/d of Permian crude oil production as well.

The North Dakota Pipeline Authority said the state's oil output is estimated to be down between 70,000 bpd and 100,000 bpd due to extreme cold weather and related operational challenges. It anticipates the majority of the lost production to return online within the next 3-6 days. It said associated wellhead natural gas production is estimated to be down 0.20-0.28 bcf/d.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.16 million bpd of capacity in the week ending January 24th, decreasing available refining capacity by 91,000 bpd. Offline capacity is expected to increase to 1.27 million bpd in the week ending January 31st.

The port of Freeport and Galveston resumed operations on Wednesday as winter storm Enzo moved away from Texas, while the port of Houston was planning to reopen to vessel traffic later in the day. Freeport, Galveston and Houston had reduced operations on Tuesday amid low temperatures and snow in Texas. The Lake Charles pilots in Louisiana said their services remained suspended on Wednesday.

The Joint Organizations Data Initiative reported that Saudi Arabia's crude oil output in November fell by 47,000 bpd on the month to 8.925 million bpd, while its crude oil exports in November increased to 6.206 million bpd, the highest level in eight months, from 5.925 million bpd in October. Saudi Arabia's oil stocks increased by 3.9 million barrels to 145.131 million barrels in November.

Early Market Call - as of 8:25 AM EDT

WTI - Mar \$75.45, up 1 cent
 RBOB - Feb \$2.0667, up 89 points
 HO - Feb \$2.4791, down 51 points

All NYMEX | Prior Settlements

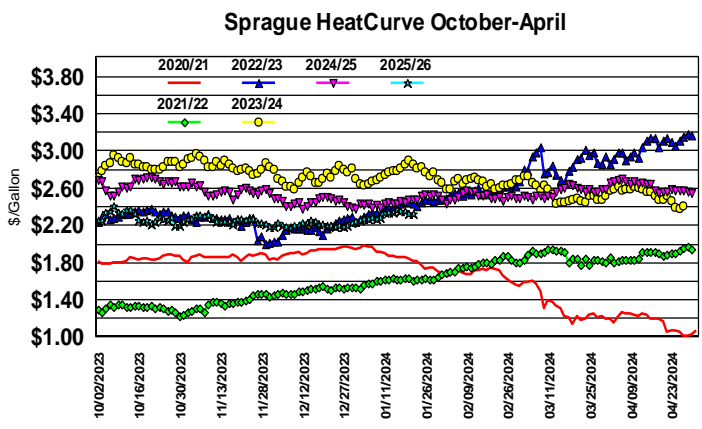
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	\$2.4842	-\$0.0739	-\$0.1293
Mar-25	\$2.4272	-\$0.0560	-\$0.1427
Apr-25	\$2.3868	-\$0.0414	-\$0.1210
May-25	\$2.3609	-\$0.0268	-\$0.0965
Jun-25	\$2.3464	-\$0.0158	-\$0.0727
Jul-25	\$2.3417	-\$0.0123	-\$0.0623
Aug-25	\$2.3376	-\$0.0106	-\$0.0568
Sep-25	\$2.3356	-\$0.0101	-\$0.0541
Oct-25	\$2.3335	-\$0.0096	-\$0.0518
Nov-25	\$2.3294	-\$0.0087	-\$0.0479
Dec-25	\$2.3240	-\$0.0072	-\$0.0432
Jan-26	\$2.3230	-\$0.0063	-\$0.0392
Feb-26	\$2.3163	-\$0.0058	-\$0.0360
Mar-26	\$2.3021	-\$0.0057	-\$0.0338
Apr-26	\$2.2817	-\$0.0054	-\$0.0313
May-26	\$2.2672	-\$0.0047	-\$0.0295
Jun-26	\$2.2552	-\$0.0051	-\$0.0281

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Mar Brent- WTI Spread \$3.56	\$75.4400	-\$0.4500
Crude - Brent		\$79.0000	-\$0.2900
Natural Gas		\$3.9600	\$0.2040
Gasoline		\$2.0578	-\$0.0265

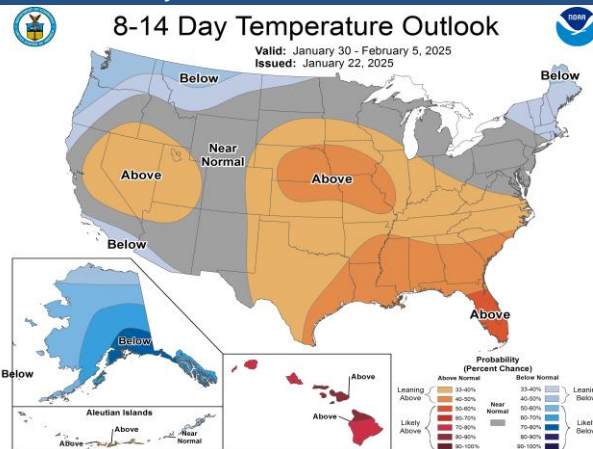
API Report for the Week Ending January 17, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 958,000 barrels	Down 2 million barrels
Gasoline Stocks	Up 3.23 million barrels	Up 2.1 million barrels
Distillate Stocks	Up 1.88 million barrels	Down 300,000 barrels
Refinery Runs		Down 1.3% at 90.4%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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