



MarketWatch | Refined Products

Friday, January 24, 2025

Market Commentary

Recap: The oil market continued on its downward trend as traders considered how U.S. President Donald Trump's tariffs and energy policies will impact global economic growth and energy demand. The market remained mostly steady in overnight trading and posted a high of \$76.00 by mid-morning as it retraced some of its losses. However, the market reversed course and sold off sharply as President Donald Trump began speaking remotely to business leaders gathered at the World Economic Forum in Davos, Switzerland. The market breached its previous lows and extended its losses to \$1.05 as it sold off to a low of \$74.39 after President Trump said U.S. oil production will increase and urged Saudi Arabia and OPEC to bring down the cost of oil. The March WTI contract settled down 82 cents at \$74.62 and the March Brent contract settled down 71 cents at \$78.29. The product markets ended the session in mixed territory, with the heating oil market settling down 1.27 cents at \$2.4715 and the RB market settling up 78 points at \$2.0656.

Technical Analysis: The market will likely retrace some of its losses before it continues to trend lower. On Friday, the market will likely weigh the build reported in crude oil stocks against President Donald Trump's call for Saudi Arabia and OPEC to bring down oil prices, implying a need to increase their output. However, while President Trump is also calling for increased U.S. oil output, analysts have noted that the U.S. is already producing at record levels. The oil market is seen finding support at its low of \$74.37, \$73.33, \$72.97, \$72.20 - \$72.10 and \$71.45. The market is seen finding resistance at its high of \$76.00, \$76.45, \$77.86, \$78.55 and \$79.39.

Fundamental News: The EIA reported that U.S. crude oil inventories fell to their lowest level since March 2022 last week, even as refining activity fell sharply, cutting demand for crude. Crude inventories fell by 1 million barrels to 411.7 million barrels, marking the ninth consecutive weekly decline. Refinery crude runs fell by 1.1 million bpd, their largest weekly decline since January 2024, while utilization rates fell by 5.8 percentage points in the week to 85.9%.

U.S. President Donald Trump told business leaders gathered at the World Economic Forum in Davos, Switzerland, that he is working to reverse inflation and illegal immigration while increasing fossil fuels production in the United States. He said "The United States has the largest amount of oil and gas of any country on Earth, and we're going to use it. Not only will this reduce the cost of virtually all goods and services, it will make the United States a manufacturing superpower." President Trump said he would demand that interest rates drop immediately, and that other countries should follow suit. He said "With oil prices going down, I'll demand that interest rates drop immediately, and likewise they should be dropping all over the world." He announced he would ask Saudi Arabia and OPEC to bring down the cost of oil and said he would be asking Riyadh to increase a planned U.S. investment package to \$1 trillion from an initial \$600 billion. U.S. President Donald Trump also stated that U.S. efforts to secure a peace settlement between Russia and Ukraine were now hopefully underway, but gave no details.

Company officials and industry representatives said U.S. oil and gas companies are unlikely to expand development in Alaska and the Arctic following President Donald Trump's executive order enabling them to do so, noting a future president could easily reverse Trump's move. U.S. oil production is already at record levels due largely to increased production in more accessible areas like Texas and New Mexico, and companies have limited spending on new projects to focus on returning cash to shareholders. Drilling in the Arctic and Alaska is a high-risk endeavor, involving decades of work and billions of dollars of investment. A source at one major U.S. oil company said many companies are unlikely to pursue projects in Alaska based on Trump's executive order alone, seeking long-term certainty like an act of Congress.

Early Market Call - as of 8:40 AM EDT

WTI - Mar \$74.92, up 30 cents
 RBOB - Feb \$2.0582, down 74 points
 HO - Feb \$2.4963, up 2.48 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.4715	-0.0127	-0.1457
Mar-25	2.4234	-0.0038	-0.1429
Apr-25	2.3828	-0.0040	-0.1173
May-25	2.3576	-0.0033	-0.0890
Jun-25	2.3427	-0.0037	-0.0617
Jul-25	2.3376	-0.0041	-0.0512
Aug-25	2.3339	-0.0037	-0.0450
Sep-25	2.3328	-0.0028	-0.0423
Oct-25	2.3316	-0.0019	-0.0396
Nov-25	2.3280	-0.0014	-0.0360
Dec-25	2.3228	-0.0012	-0.0317
Jan-26	2.3218	-0.0012	-0.0287
Feb-26	2.3150	-0.0013	-0.0262
Mar-26	2.3008	-0.0013	-0.0249
Apr-26	2.2809	-0.0008	-0.0231
May-26	2.2670	-0.0002	-0.0209
Jun-26	2.2554	0.0002	-0.0206

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Mar Brent- WTI Spread \$3.67	\$74.6200	-\$0.8200
Crude - Brent		\$78.2900	-\$0.7100
Natural Gas		\$3.9450	-\$0.0150
Gasoline		\$2.0656	\$0.0078

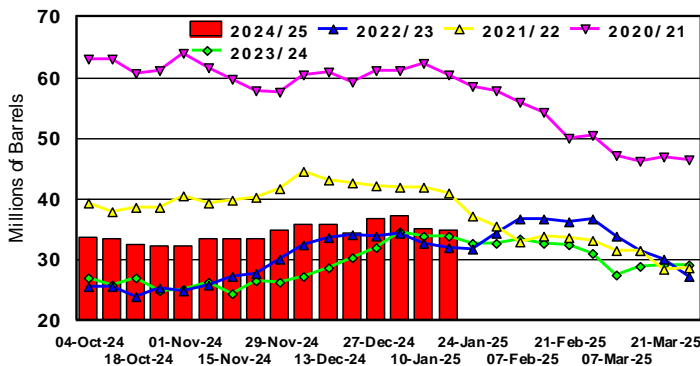
EIA Working Gas Storage Report

	17-Jan-25	10-Jan-25	Change	17-Jan-24
East	613	669	-56	674
Midwest	744	808	-64	812
Mountain	229	240	-11	198
Pacific	269	283	-14	236
South Central	1037	1114	-77	1,029
Salt	297	326	-29	287
Nonsalt	739	788	-49	742
Total	2892	3115	-223	2,949

Weekly EIA Petroleum Status Report for the Week Ending January 17, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.017 million barrels
 Cushing, OK Crude Stocks Down 148,000 barrels
Gasoline Stocks Up 2.332 million barrels
Distillate Stocks Down 3.07 million barrels
Refinery % Operated 85.9%, down 5.8%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Jan. 17, 2025	Week Ending Jan. 10, 2024	Week Ending Jan. 19, 2024
New England	5.5	4.8	4.8
Central Atlantic	16.4	18.3	16.1
Total PADD #1	34.8	35.0	33.8
Distillate Imports (thousands b/d)	259	187	187

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