

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market traded lower on Monday amid the losses seen in the equity markets following the news of increasing interest in Chinese startup DeepSeek's low cost artificial intelligence model. The oil market was already pressured earlier after the U.S. threatened and then reversed plans to impose sanctions and tariffs on Colombia over the weekend after the South American country agreed to accept deported migrants from the U.S. The market was also pressured as Chinese manufacturing data for January was weaker than expected. The crude market, which held resistance at its previous high of \$75.21, posted a high of \$75.15 in overnight trading. However, the market sold off sharply in tandem with the equities market and posted a low of \$72.38. It retraced 62% of its move from a low of \$68.05 to a high of \$79.39. The oil market later bounced off its low and traded in a sideways trading range ahead of the close. The March WTI contract settled down \$1.49 at \$73.17, while the Brent contract ended the session down \$1.42 cents at \$77.08. The product markets ended the session in negative territory, with the heating oil market settling down 5.62 cents at \$2.46 and the RB market settling down 2.08 cents at \$2.0282.

Technical Analysis: The oil market will likely retrace some of its sharp sell off as the market awaits the release of the weekly petroleum stocks reports late Tuesday and Wednesday morning. The market will also tread water as the market awaits the outcome of the Federal Reserve's policy meeting on Wednesday, in which the Fed is expected to keep rates unchanged, while President Donald Trump recently said he would soon demand lower rates. The crude market is seen finding resistance at its high of \$75.15, \$75.21, \$76.00 and \$76.45. Meanwhile, support is seen at its low of \$72.38, \$72.20-\$72.10 and \$71.45.

Fundamental News: Goldman Sachs said it maintained its \$3.30/gallon U.S. retail gasoline forecast for 2025 and forecast U.S. retail gasoline prices in 2026 at \$3.10/gallon.

Israel's Walla News reported Israeli Prime Minister Benjamin Netanyahu plans to meet with U.S. President Donald Trump at the White House next week.

IIR Energy said U.S. oil refiners are expected to shut in about 1.4 million bpd of capacity in the week ending January 31st, cutting available refining capacity by 195,000 bpd. Offline capacity is expected to increase to 1.46 million bpd in the week ending February 7th.

On Friday, CVR Energy said its 132,000 bpd refinery in Coffeyville, Kansas, has begun planned turnaround work following a fire at the plant's naphtha hydrotreater on Tuesday.

Kommersant daily reported that Russian companies decreased oil exports by 2.2% on the year to 295.12 million metric tons in 2024. Shipments via the Druzhba pipeline to Slovakia and the Czech Republic, as well as from the ports of Novorossiisk and Ust-Luga, decreased. However, shipments increased via the Druzhba pipeline to Hungary and from the port of Kozmino.

Two industry sources said Russian refineries are processing more crude oil in the hope of increasing fuel exports after new U.S. sanctions on Russian tankers and traders made exports of unprocessed crude more difficult. Russian refining runs increased 2% or by 108,000 barrels to 754,800 metric tons a day on January 15th-19th from the first week of the year. It was also up 1.2% from the average for January 2024.

The U.S. Climate Prediction Center reported Monday morning that the U.S. experienced a total of 317 HDDs for the week ending January 25th on an oil home heating customer population weighted basis. This was 20.5% more than normal for the week and 21.5% higher than the same week a year ago. For the current week, ending February 1st, the CPC is forecasting just some 233 HDDs, 10.8% less than normal but 15.3% more than the same week a year ago.

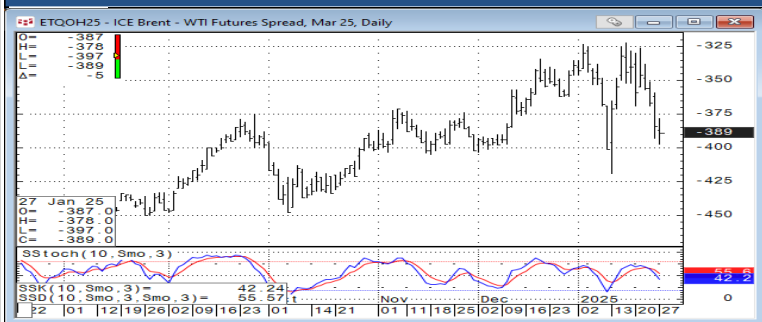
Early Market Call - as of 8:35 AM EDT

WTI - Mar \$74.11, up 94 cents
 RBOB - Feb \$2.0505, up 2.23 cents
 HO - Feb \$2.4857, up 2.57 cents

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.4600	-0.0562	-0.0981
Mar-25	2.3899	-0.0581	-0.0933
Apr-25	2.3450	-0.0522	-0.0832
May-25	2.3156	-0.0468	-0.0721
Jun-25	2.2984	-0.0425	-0.0638
Jul-25	2.2929	-0.0392	-0.0611
Aug-25	2.2890	-0.0378	-0.0592
Sep-25	2.2882	-0.0382	-0.0575
Oct-25	2.2878	-0.0380	-0.0553
Nov-25	2.2845	-0.0374	-0.0536
Dec-25	2.2784	-0.0375	-0.0528
Jan-26	2.2775	-0.0369	-0.0518
Feb-26	2.2715	-0.0360	-0.0506
Mar-26	2.2585	-0.0349	-0.0493
Apr-26	2.2401	-0.0336	-0.0470
May-26	2.2275	-0.0328	-0.0444
Jun-26	2.2181	-0.0317	-0.0422

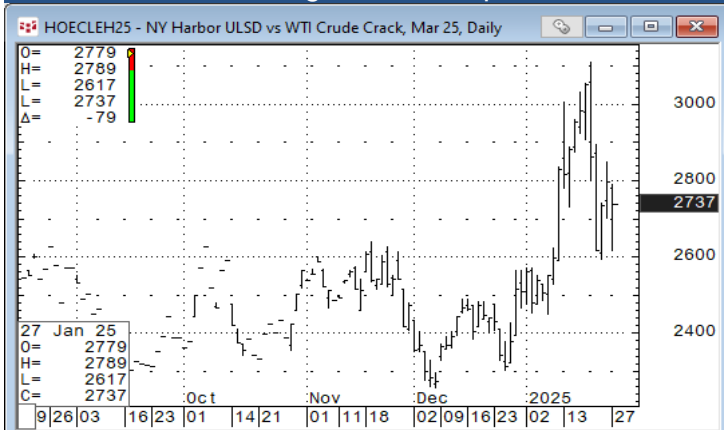
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Mar Brent- WTI Spread \$3.91	\$73.1700	-\$1.4900
Crude - Brent		\$77.0800	-\$1.4200
Natural Gas		\$3.6970	-\$0.3300
Gasoline		\$2.0282	-\$0.0208

ICE March Brent-WTI Spread



March Heating Oil Crack Spread

Heating Degree Days



Weekly Oil Home Heating Customer Weighted Basis Heating Degree Days Actual & Forecasted

