

Market Commentary

Recap: The oil market on Tuesday posted an inside trading day as the market bounced higher following a sharp selloff in tandem with the equities market on Monday that was triggered by news of increasing interest in Chinese startup DeepSeek's low cost artificial intelligence model. In overnight trading, the market continued to retrace the losses seen on Monday morning. It was supported by the news of protesters in Libya preventing crude oil loadings in the country's Es Sider and Ras Lanuf ports. The market traded to a high of \$74.31 early in the session. However, the market erased some of its gains and posted a low of \$72.93 after fears of a supply disruption eased on news that Libya's export activity was operating normally after Libya's National Oil Corp held talks with the protesters. The crude oil market later settled in a sideways trading range ahead of the close. The March WTI contract settled up 60 cents at \$73.77, while the March Brent contact settled up 41 cents at \$77.49. Meanwhile, the product markets ended in mixed territory with the heating oil market settling down 99 points at \$2.4501 and the RB market settling up 2.44 cents at \$2.0526.

Technical Analysis: The crude market is seen continuing to trend sideways as it awaits the release of the weekly petroleum stocks reports, which are expected to show builds of over 2.5 million barrels in crude stocks. The market is also seen trending sideways ahead of the Federal Reserve's expected decision to leave interest rates unchanged at the end of its meeting on Wednesday afternoon. The market is seen finding support at its lows of \$72.93, \$72.38, \$72.20-\$72.10, \$71.31 and \$70.43. Meanwhile, resistance is seen at \$74.31, \$75.15, \$75.21, \$76.00 and \$76.45.

Fundamental News: The Saudi Press Agency reported that Saudi Energy Minister Prince Abdulaziz bin Salman held talks with Iraq's Hayan Abdel-Ghani and Libya's Khalifa Abdulsadek in Riyadh on Monday following U.S. President Donald Trump's call for lower oil prices and ahead of a meeting next week of OPEC+ countries. The Saudi minister and his Libyan counterpart discussed "strengthening joint efforts to support the stability of global energy markets" to serve their mutual interests. He also discussed cooperation to achieve mutual interests with his Iraqi counterpart and met with UAE Energy Minister Suhail al-Mazrouei for informal talks. Last week, U.S. President Trump called on Saudi Arabia and OPEC to lower oil prices. OPEC+ has yet to respond, however five OPEC+ delegates said a meeting of the group's top ministers on February 3rd is unlikely to adjust its current plan to start raising output from April.

Bloomberg is reporting that oil loadings from the Libyan ports of Ras Lanuf and Es Sider on Tuesday were being disrupted as a result of political protests. The state oil company was estimating Libyan oil production prior to the shutdown had been averaging 1.41 million b/d. It was expected Tuesday's shutdown could shut in some 430,000-460,000 b/d of crude oil production. The Oil Crescent Region Movement reportedly had ordered the shutdown in protest of the state-run National Oil Corp had not transferred the headquarters of five energy companies from western Libya to the eastern part of the country. Later, Libya's National Oil Corp said operations at all oil terminals were continuing normally after communication with protesters who blocked crude oil loadings at the Es Sider and Ras Lanuf ports.

Citgo Petroleum Corp reported a unit upset at its 184,414 bpd Lemont, Illinois refinery.

LyondellBasell Industries began shutting down its 263,776 bpd Houston refinery on Monday for permanent closure. The shutdown is expected to be completed by early February as the refinery has only a few days of supply of crude oil on hand. Lyondell said that it planned to begin the refinery's "ramp down" in late January and the process would continue through February.

Motive Enterprises reported maintenance activity resulting in flaring at its 626,000 bpd Port Arthur, Texas refinery.

Early Market Call - as of 8:50 AM EDT

WTI - Mar \$73.32, down 45 cents

RB0B - Feb \$2.0415, down 1.11 points

HO - Feb \$2.4417, down 84 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	\$2.4501	-\$0.0099	-\$0.1080
Mar-25	\$2.3865	-\$0.0034	-\$0.0967
Apr-25	\$2.3443	-\$0.0007	-\$0.0839
May-25	\$2.3153	-\$0.0003	-\$0.0724
Jun-25	\$2.2970	-\$0.0014	-\$0.0652
Jul-25	\$2.2918	-\$0.0011	-\$0.0622
Aug-25	\$2.2882	-\$0.0008	-\$0.0600
Sep-25	\$2.2876	-\$0.0006	-\$0.0581
Oct-25	\$2.2873	-\$0.0005	-\$0.0558
Nov-25	\$2.2838	-\$0.0007	-\$0.0543
Dec-25	\$2.2779	-\$0.0005	-\$0.0533
Jan-26	\$2.2775	\$0.0000	-\$0.0518
Feb-26	\$2.2712	-\$0.0003	-\$0.0509
Mar-26	\$2.2579	-\$0.0006	-\$0.0499
Apr-26	\$2.2393	-\$0.0008	-\$0.0478
May-26	\$2.2268	-\$0.0007	-\$0.0451
Jun-26	\$2.2170	-\$0.0011	-\$0.0433

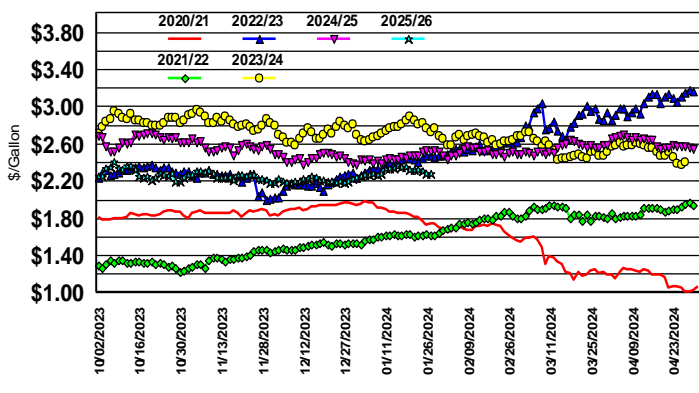
Sprague HeatCurve October 2025-April 2026		\$2.2714
	Close	Change
Crude - WTI	\$73.7700	\$0.6000
Crude - Brent	\$77.4900	\$0.4100
Natural Gas	\$3.4710	-\$0.2260
Gasoline	\$2.0526	\$0.0244

API Report for the Week Ending January 24, 2024

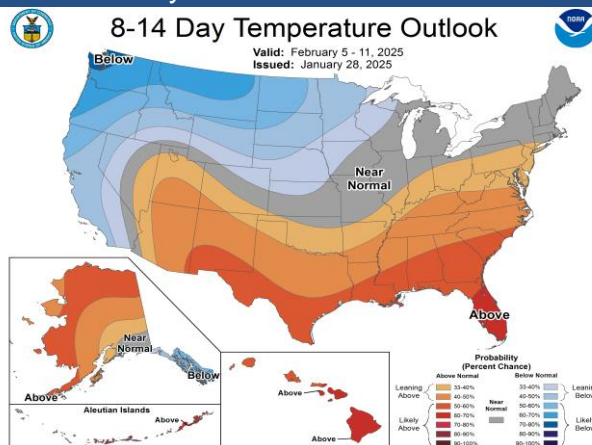
	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 2.86 million barrels	Up 2.6 million barrels
Gasoline Stocks	Up 1.89 million barrels	Up 1.4 million barrels
Distillate Stocks	Down 3.75 million barrels	Down 2.4 million barrels
Refinery Runs		Down 0.4% at 85.5%

Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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