

## Market Commentary

**Recap:** The oil market settled 0.27% lower on Friday and 2.85% lower on the week as the market awaits to see if U.S. President Donald Trump follows through on his threat to impose tariffs on Canada and Mexico on Saturday. The market traded mostly sideways, posting a high of \$73.49 in overnight trading before it briefly breached its previous low of \$72.02 and posted a low of \$71.94. The market later retraced some of its losses and traded sideways during the remainder of the session. The White House on Friday announced that the U.S. will impose 25% tariffs on Canada and Mexico on Saturday, contrary to some earlier reports that the new tariffs would become effective on March 1<sup>st</sup>, with some exemptions for certain imports. The March WTI contract settled down 20 cents at \$72.53 and the March Brent contract settling down 11 cents at \$76.76. The product markets ended the session in mixed territory, with the heating oil market settling up 91 points at \$2.4845 and the RB market settling down 9 points at \$2.0365.

**Technical Analysis:** The oil market on Monday will be driven by the news over the weekend regarding the 25% tariffs the U.S. is expected to impose against Canada and Mexico starting on Saturday. The market will likely see some volatility as it digests any of the news regarding the tariffs and its impact on the oil industry, if oil is not exempt from the tariffs. The market will also look to the OPEC+ meeting scheduled on Monday for further direction. The OPEC+ producers are not expected to make changes to their plans to increase output gradually when it meets on Monday. The oil market is seen finding support at a low of \$71.94, \$71.53, \$71.31, \$70.43, \$69.75 and \$69.67. Meanwhile, resistance is seen at \$73.49, \$73.55, \$74.08, \$74.31, \$75.15, \$75.21 and \$76.00.

**Fundamental News:** White House spokeswoman Karoline Leavitt said U.S. tariffs on Canada, Mexico and China will go into effect on Saturday, February 1<sup>st</sup>. Earlier, sources said U.S. President Donald Trump is expected to announce new tariffs on imports from Canada and Mexico that would become effective on March 1<sup>st</sup> but will include a process for the countries to seek specific exemptions for certain imports. Separately, an administration official said President Trump was reviewing tariff plans, which may allow for some exemptions. On Thursday, President Trump said he would soon decide whether to apply the tariffs to imports of Canadian and Mexican oil. According to the U.S. Department of Energy, Canada and Mexico are the top sources of U.S. crude imports, together accounting for about 25% of the oil U.S. refiners process into fuels, with imports from Canada totaling 3.8 million bpd and imports from Mexico totaling 457,000 bpd.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for the first time in eight weeks. The oil and gas rig count increased by six to 582 in the week ending January 31<sup>st</sup>. Baker Hughes said oil rigs increased by seven to 479 this week, while gas rigs fell by one to 98.

OPEC+ delegates said the producer group is unlikely to alter existing plans to raise output gradually when it meets on Monday, despite U.S. President Donald Trump urging OPEC and its de facto leader Saudi Arabia to lower prices. Four OPEC+ sources said Monday's meeting of the Joint Ministerial Monitoring Committee was unlikely to recommend that OPEC+ increase output more than already planned. Two others said it was too early to say.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.32 million bpd of capacity in the week ending January 31<sup>st</sup>, cutting available refining capacity by 121,000 bpd. Offline capacity is expected to increase to 1.33 million bpd in the week ending February 7<sup>th</sup> and fall to 992,000 bpd in the week ending February 14<sup>th</sup>.

**Early Market Call - as of 8:30 AM EDT**

WTI - Mar \$74.44, up \$1.91

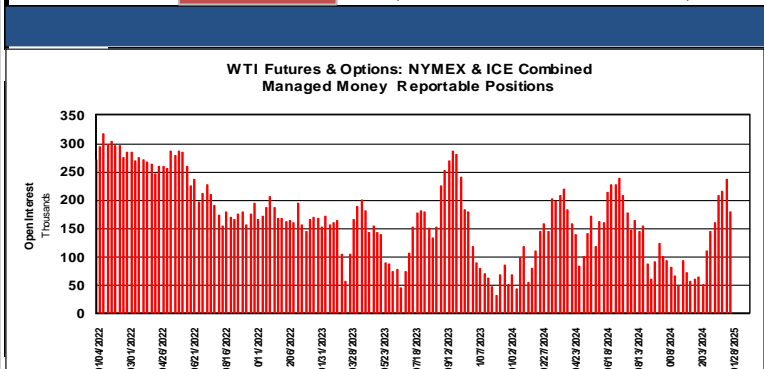
RB0B - Mar \$2.1534, up 9.46 cents

HO - Mar \$2.4867, up 8.94 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.4845	0.0091	-0.0317
Mar-25	2.3973	-0.0033	-0.0507
Apr-25	2.3506	-0.0031	-0.0466
May-25	2.3179	-0.0035	-0.0445
Jun-25	2.2946	-0.0049	-0.0463
Jul-25	2.2863	-0.0049	-0.0458
Aug-25	2.2818	-0.0045	-0.0450
Sep-25	2.2821	-0.0043	-0.0443
Oct-25	2.2820	-0.0041	-0.0438
Nov-25	2.2779	-0.0039	-0.0440
Dec-25	2.2714	-0.0039	-0.0445
Jan-26	2.2706	-0.0040	-0.0438
Feb-26	2.2643	-0.0040	-0.0432
Mar-26	2.2513	-0.0037	-0.0421
Apr-26	2.2323	-0.0034	-0.0414
May-26	2.2194	-0.0034	-0.0409
Jun-26	2.2094	-0.0031	-0.0404

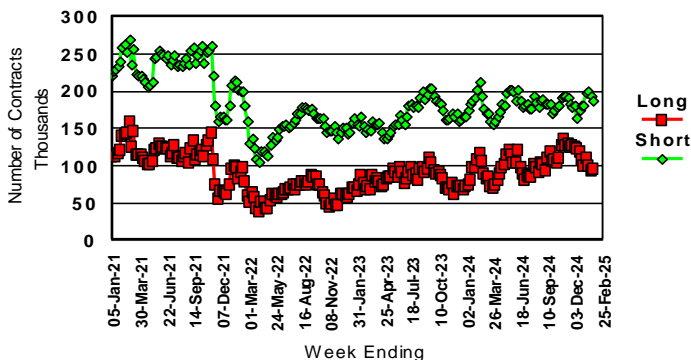
Sprague HeatCurve October 2025-April 2026		\$2.2649
	Close	Change
Crude - WTI	\$72.5300	-\$0.2000
Crude - Brent	\$76.7600	-\$0.1100
Natural Gas	\$3.0440	-\$0.0030
Gasoline	\$2.0365	-\$0.0009



## Commitment of Traders Report for the Week Ending January 28, 2025

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

