



MarketWatch | Refined Products

Thursday, February 6, 2025

Market Commentary

Recap: The oil market on Wednesday posted an inside trading day as the market weighed a larger than expected build in crude stocks and gasoline stocks and concerns about a new U.S. - China trade war against U.S. President Donald Trump stating that the U.S. would restore "maximum pressure" on Iran. The market was caught between increasing fears that an escalating trade war will affect global oil demand growth and a possible disruption of Iranian oil exports. The crude market posted a high of \$72.97 in overnight trading before it sold off throughout the session and posted a low of \$70.96 ahead of the close. The market sold off in light of the EIA reporting a large build of over 8.6 million barrels on the week. However, the market held support as it failed to test its previous low. The March WTI contract settled down \$1.67 at \$71.03 and the April Brent contract settled down \$1.59 at \$74.61. The product markets ended in negative territory, with the heating oil market settling down 4.56 cents at \$2.3842 and the RB market settling down 4.83 cents at \$2.0507.

Technical Analysis: The crude market on Thursday will continue to trade sideways as the market continues to weigh the large build in crude inventories and the fears of a trade war raising demand concerns against the news regarding the Trump administration reinstating maximum pressure on Iran. The market is seen finding support at its lows of \$70.96, \$70.67, \$70.43, \$69.75, \$69.06 and \$68.94. Meanwhile, resistance is seen at \$72.97, \$73.35, \$74.00 followed by \$75.03, \$75.18, \$75.21, \$76.00 and \$76.06

Fundamental News: The EIA reported that U.S. crude oil stocks in the week ending January 31st increased by 8.664 million barrels. It reported that total crude oil imports increased by 467,000 bpd on the week to 6.915 million bpd. U.S. crude oil imports from Mexico fell by 372,000 bpd to a weekly record low of 149,000 bpd. It reported that crude oil imports from Libya increased to the highest level since October 2010. Gasoline stocks increased by 2.233 million barrels on the week to 251.1 million barrels, the highest level since January 2024.

U.S. President Donald Trump said he preferred a verified nuclear peace agreement with Iran.

Iran's President Masoud Pezeshkian urged OPEC members to unite against possible U.S. sanctions after U.S. President Donald Trump said he would seek to drive Iran's oil exports to zero. Meanwhile, Iran's Oil Minister, Mohsen Paknejad, told OPEC Secretary General Haitham Al Ghais that imposing unilateral sanctions on crude producers would destabilize energy markets.

Equinor resumed output at its Johan Sverdrup oilfield following a power outage and is working to reach full production.

A Reuters survey showed that OPEC oil output fell for a second consecutive month in January, as a drop in exports from Nigeria and Iran offset a rebound from the United Arab Emirates where field maintenance had cut output in December. OPEC produced 26.53 million bpd in January, down 50,000 bpd from December's revised total, with Nigeria and Iran posting the largest declines of 60,000 bpd in each country. Output in OPEC's top two producers, Saudi Arabia and Iraq fell by 40,000 bpd to 8.95 million bpd and 10,000 bpd to 3.94 million bpd, respectively.

IIR Energy said U.S. oil refiners are expected to shut in about 1.48 million bpd of capacity in the week ending February 7th, cutting available refining capacity by 160,000 bpd.

Early Market Call - as of 8:35 AM EDT

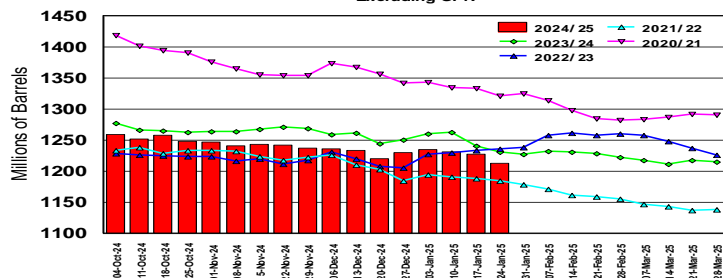
WTI - Mar \$71.43, up 40 cents
 RBOB - Mar \$2.0624, up 1.17 cents
 HO - Mar \$2.3841, down 1 point

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-25	2.3842	-0.0456	-0.0067
Apr-25	2.3372	-0.0422	-0.0065
May-25	2.3011	-0.0398	-0.0108
Jun-25	2.2767	-0.0388	-0.0140
Jul-25	2.2689	-0.0367	-0.0135
Aug-25	2.2654	-0.0353	-0.0118
Sep-25	2.2677	-0.0345	-0.0096
Oct-25	2.2700	-0.0335	-0.0074
Nov-25	2.2687	-0.0323	-0.0053
Dec-25	2.2650	-0.0307	-0.0033
Jan-26	2.2654	-0.0298	-0.0027
Feb-26	2.2594	-0.0294	-0.0025
Mar-26	2.2465	-0.0291	-0.0019
Apr-26	2.2266	-0.0289	-0.0029
May-26	2.2141	-0.0283	-0.0031
Jun-26	2.2046	-0.0273	-0.0031
Jul-26	2.2033	-0.0268	-0.0036

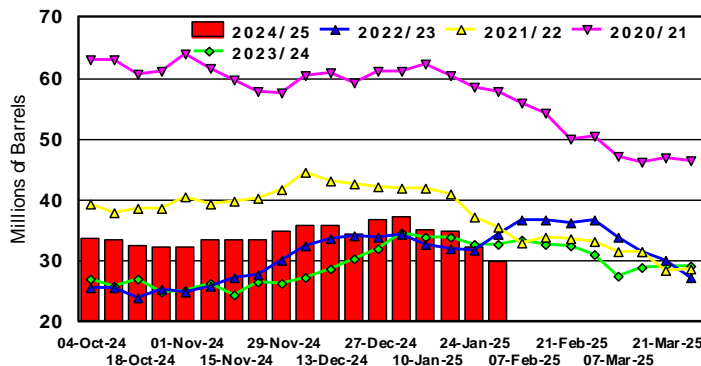
Sprague HeatCurve October 2025-April 2026		\$2.2586
	Close	Change
Crude - WTI	\$70.7400	-\$1.6000
Crude - Brent	\$74.6100	-\$1.5900
Natural Gas	\$3.3600	\$0.1070
Gasoline	\$2.0507	-\$0.0483

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending January 31, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 8.664 million barrels
 Cushing, OK Crude Stocks Down 34,000 barrels
Gasoline Stocks Up 2.233 million barrels
Distillate Stocks Down 5.471 million barrels
Refinery % Operated 84.5%, up 1%

PADD #1

	Week Ending Jan. 31, 2025	Week Ending Jan. 24, 2024	Week Ending Feb. 2, 2024
Distillate Stocks (in million bbl)			
New England	5.0	5.4	4.9
Central Atlantic	13.6	15.5	15.6
Total PADD #1	29.9	32.3	32.7
Distillate Imports (thousands b/d)	125	132	113

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