

Market Commentary

Recap: The oil market on Friday posted an inside trading day and posted a third consecutive week of losses amid the uncertainty over the impact of the Trump administration's policies, including the new sanctions imposed on Iran's crude exports, his pledge to increase U.S. oil production and the renewed trade war on China and threats of tariffs on other countries. The crude market continued to trade sideways in overnight trading as the market remained pressured after President Donald Trump on Thursday reiterated a pledge to increase U.S. oil output. The market posted a low of \$70.47, holding support at a previous low of \$70.43, before it retraced some of its losses. The market traded to a high of \$71.41 by mid-morning amid concerns over supply, in light of the sanctions announced on an international network facilitating the shipment of Iranian crude to China. In choppy trading, the oil market erased some of its gains following the news that President Donald Trump would announce reciprocal tariffs as early as Friday. President Trump later said he would announce reciprocal tariffs on many countries next week. The March WTI contract settled up 39 cents at \$71.00 and the April Brent contract settled up 37 cents at \$74.66. The product markets ended the session in positive territory, with the heating oil market settling up 3.28 cents at \$2.4308 and the RB market settling up 3.03 cents at \$2.105.

Technical Analysis: The crude market will likely continue to trend sideways as the market continues to digest the Trump administration's policies. It will remain headline driven as the market awaits President Trump's announcement on reciprocal tariffs. Technically, the market is in oversold territory as it seems to hold support above the \$70 level. The market is seen finding support at its lows of \$70.47-\$70.43, \$70.00, \$69.75, \$69.06 and \$68.94. Meanwhile, resistance is seen at its high of \$71.41, \$71.85, \$72.97, \$73.35, \$73.84, \$74.00, \$74.90 followed by \$75.18-\$75.21 and \$75.95.

Fundamental News: U.S. President Donald Trump said he will announce reciprocal tariffs on many countries next week. Earlier, sources said President Donald Trump told Republican lawmakers that he planned to announce reciprocal tariffs as early as Friday. On the campaign trail, Trump promised to impose reciprocal tariffs on American imports equal to the rates that trading partners impose on American exports.

Baker Hughes reported that U.S. energy firms added oil and natural gas rigs for a second consecutive week for the first time since July 2024. The oil and gas rig count increased by four to 586 in the week ending February 7th. Baker Hughes said oil rigs increased by one to 480 this week, while gas rigs increased by two to 100.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.58 million bpd of capacity in the week ending February 7th, cutting available refining capacity by 160,000 bpd. Offline capacity is expected to fall to 1.5 million bpd in the week ending February 14th and fall further to 1.29 million bpd in the week ending February 21st.

NatGasWeather said overnight weather data "maintained strong national demand next week as frosty air over the Northern Plains spreads south and eastward to cover much of the interior U.S., including lows of teens and 20s into northern Texas." It said weather models show another round of subfreezing air spreading across much of the interior Lower 48 from February 17th-21st "for another round of stronger than normal demand".

U.S. job growth slowed more than expected in January, but a 4.0% unemployment rate likely gives the Federal Reserve cover to hold off cutting interest rates at least until June. The Labor Department's Bureau of Labor Statistics said nonfarm payrolls increased by 143,000 jobs in January after increasing by an upwardly revised 307,000 in December.

The University of Michigan Surveys of Consumers said its Consumer Sentiment Index fell to 67.8 in February from January's final reading of 71.1.

Early Market Call - as of 8:45 AM EDT

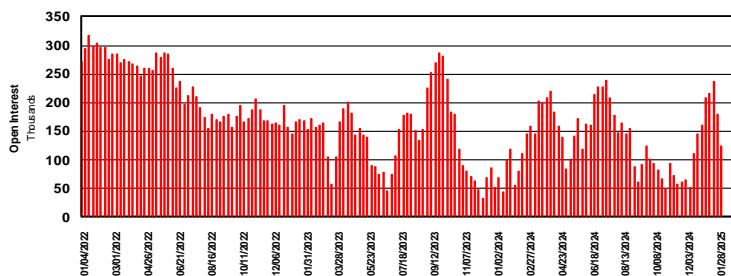
- WTI - Mar \$71.92, up 92 cents
- RBOB - Mar \$2.1178, up 1.28 cents
- HO - Mar \$2.4604, up 2.96 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-25	2.4308	0.0328	0.0335
Apr-25	2.3676	0.0257	0.0170
May-25	2.3218	0.0215	0.0039
Jun-25	2.2941	0.0198	-0.0005
Jul-25	2.2863	0.0199	0.0000
Aug-25	2.2823	0.0195	0.0005
Sep-25	2.2830	0.0182	0.0009
Oct-25	2.2841	0.0176	0.0021
Nov-25	2.2818	0.0170	0.0039
Dec-25	2.2769	0.0163	0.0055
Jan-26	2.2764	0.0156	0.0058
Feb-26	2.2697	0.0149	0.0054
Mar-26	2.2562	0.0146	0.0049
Apr-26	2.2358	0.0144	0.0035
May-26	2.2234	0.0143	0.0040
Jun-26	2.2149	0.0148	0.0055
Jul-26	2.2140	0.0148	0.0061

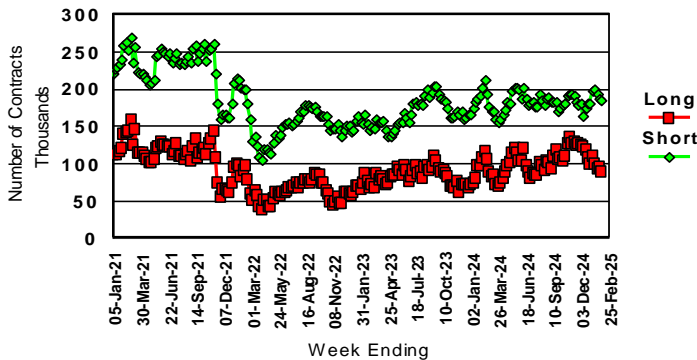
Sprague HeatCurve October 2025-April 2026		\$2.2697
	Close	Change
Crude - WTI	\$70.7400	\$0.3700
Crude - Brent	\$74.6600	\$0.3700
Natural Gas	\$3.3090	-\$0.0990
Gasoline	\$2.1050	\$0.0303

WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending February 4, 2025

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report

