

Market Commentary

Recap: The oil market moved higher on Monday following three weeks of losses despite concerns over a potential global trade war following U.S. President Donald Trump's latest tariff plans of targeting steel and aluminum. Over the weekend, President Trump said he would announce 25% tariffs on all steel and aluminum imports into the U.S. The market seemed to dismiss the latest statement after President Trump previously suspended the tariffs he had announced on Canada and Mexico until March 1st. Traders mainly dismissed the expected announcement as they see an equal chance the tariffs could be walked back or even increased at some point in the near future. The oil market posted a low of \$70.84 on the opening and retraced some of its previous losses posted last week. The market extended its gains to \$1.54 as it posted a high of \$72.54 in afternoon trading. The March WTI contract traded sideways during the remainder of the session and settled up \$1.32 at \$72.32. The April Brent contract settled up \$1.21 at \$75.87. Meanwhile, the product markets ended the session in mixed territory, with the heating oil market settling up 2.01 cents at \$2.4509 and the RB market settling down 8 points at \$2.1042.

Technical Analysis: The oil market will continue to trade sideways after the market retraced some of its recent losses on Monday and its stochastics crossed to the upside. While the market may be headline driven, it is seen trending sideways as the market may be realizing that the initial announcements on tariffs may not be the last word on them. The market is seen finding resistance at its high of \$72.54, \$72.97, \$73.35, \$73.85, \$74.00, \$74.90 followed by \$75.18-\$75.21 and \$75.95. Meanwhile, support is seen at its low of \$70.84, \$70.47-\$70.43, \$70.00, \$69.75, \$69.06 and \$68.94.

Fundamental News: U.S. President Donald Trump said he will introduce new 25% tariffs on all steel and aluminum imports into the U.S., in addition to existing metals duties. He is expected to sign executive orders on the new tariffs on Monday or Tuesday. He also said he will announce reciprocal tariffs on Tuesday or Wednesday, to take effect almost immediately, applying them to all countries and matching the tariff rates levied by each country. According to government and American Iron and Steel Institute data, the largest sources of U.S. steel imports are Canada, Brazil and Mexico, followed by South Korea and Vietnam. In a separate Fox News interview, Trump said Canada's and Mexico's actions to secure their U.S. borders and halt the flow of drugs and migrants are insufficient ahead of a March 1st tariff deadline. He has threatened to impose tariffs of 25% on all Mexican and Canadian imports unless America's two largest trading partners take stronger actions. He paused the tariffs until March 1st after some initial border security concessions from the two countries, with Mexico pledging to add 10,000 National Guard troops to its border and Canada deploying new technology and personnel and taking new anti-fentanyl steps.

IIR Energy said U.S. oil refiners are expected to shut in about 1.5 million bpd of capacity in the week ending February 14th, increasing available refining capacity by 84,000 bpd. Offline capacity is expected to fall to 1.29 million bpd in the week ending February 21st.

The U.S. Climate Prediction Center reported Monday morning that the U.S. saw a total of 248 HDDs on an oil home heating customer weighted basis during the week ending February 8th. This was 9 HDDs less than normal for the week but 34 HDDs more than the same week a year ago. For the current week the CPC is predicting a total of 258 HDDs, 9 HDDs more than normal and 58 HDDs more than the same week a year ago.

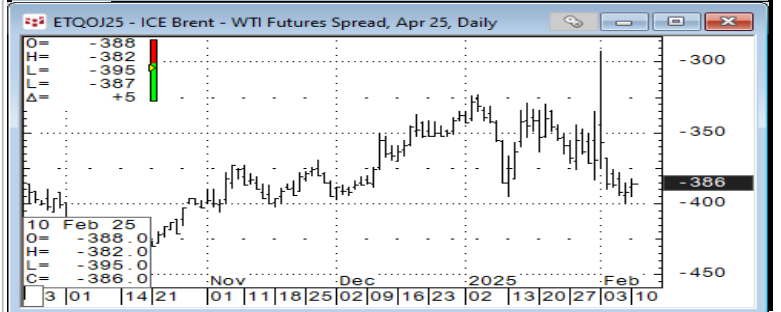
Early Market Call - as of 8:35 AM EDT
WTI - Mar \$73.60, up \$1.28
RBOB - Mar \$2.1411, up 3.69 cents
HO - Mar \$2.4933, up 4.24 cents

All NYMEX | Prior Settlements

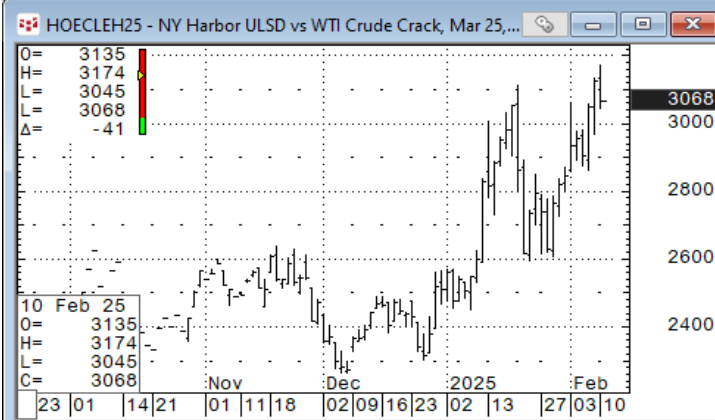
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-25	2.4509	0.0201	-0.0122
Apr-25	2.3934	0.0258	-0.0036
May-25	2.3485	0.0267	-0.0024
Jun-25	2.3203	0.0262	0.0002
Jul-25	2.3123	0.0260	0.0058
Aug-25	2.3081	0.0258	0.0083
Sep-25	2.3082	0.0252	0.0078
Oct-25	2.3091	0.0250	0.0088
Nov-25	2.3067	0.0249	0.0110
Dec-25	2.3016	0.0247	0.0134
Jan-26	2.3008	0.0244	0.0143
Feb-26	2.2937	0.0240	0.0143
Mar-26	2.2798	0.0236	0.0139
Apr-26	2.2588	0.0230	0.0132
May-26	2.2458	0.0224	0.0137
Jun-26	2.2362	0.0213	0.0150
Jul-26	2.2348	0.0208	0.0154

Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$3.86	\$72.0100	\$1.2700
Crude - Brent		\$75.8700	\$1.2100
Natural Gas		\$3.4440	\$0.1350
Gasoline		\$2.1042	-\$0.0008

ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread

