

Market Commentary

Recap: The crude market on Wednesday erased its previous gains, ending three days of gains following the weekly petroleum stocks reports showing larger than expected builds in crude inventories and news that President Donald Trump said he spoke with Russia's President, Vladimir Putin, regarding the war in Ukraine. The market posted a high of \$73.20 in overnight trading and began to erase its recent gains after the API report showed that crude stocks built by over 9 million barrels on the week. The market was also pressured after Federal Reserve Chair Jerome Powell on Tuesday indicated that the Federal Reserve was in no rush to lower interest rates, which was reinforced by the larger than expected increase in consumer prices in January. The market remained pressured following the release of the EIA oil inventory report showing a larger than expected draw of over 4 million barrels on the week. The market extended its losses after President Donald Trump said he spoke with Russia's President and Ukraine's President Volodymyr Zelenskyy about ending the war in Ukraine. The crude market sold off more than \$2 to a low of \$71.30 ahead of the close. The March WTI contract settled down \$1.95 at \$71.37 and the April Brent contract settled down \$1.82 at \$75.18. The product markets also ended the session in negative territory, with the heating oil market settling down 6.26 cents at \$2.4520 and the RB market settling down 5.77 cents at \$2.0896.

Technical Analysis: The crude market will likely trade lower and test its previous lows as some of the risk premium was taken out of the market in light of the news that President Donald Trump discussed the war in Ukraine with his Russian and Ukrainian counterparts. The market will remain focused on further developments of the negotiations to end the war. The market is seen finding support at its low of \$71.30, \$70.84, \$70.47-\$70.43, \$70.00, \$69.75, \$69.06 and \$68.94. Meanwhile, the market is seen finding resistance at \$73.22, \$73.68, \$73.85, \$74.00, \$74.90 followed by \$75.18-\$75.21 and \$75.95.

Fundamental News: OPEC maintained its forecast for relatively strong growth in global oil demand in 2025, saying air and road travel would support consumption and potential trade tariffs were not expected to impact economic growth. In a monthly report, OPEC said world oil demand will increase by 1.45 million bpd in 2025 and by 1.43 million bpd in 2026. Both forecasts were unchanged from last month. OPEC reported that OPEC+ crude output averaged 40.62 million bpd in January, down 118,000 bpd on the month.

President Donald Trump's trade advisers were finalizing plans on Wednesday for the reciprocal tariffs he has vowed to impose on every country that charges duties on U.S. imports, increasing fears of a widening global trade war. White House officials have not disclosed the structure or timing of the next tariffs, with one source saying the announcement might come later in the week.

On Wednesday, President Donald Trump said that interest rates should be lowered and that lower rates would go "hand in hand" with his upcoming tariffs, despite economists' expectations that tariffs would fuel inflation and postpone rate cuts. On Tuesday, Federal Reserve Chair Jerome Powell told U.S. lawmakers the Fed was in no rush to cut its short-term interest rate again given an economy that is strong overall.

OPEC reported that Russia's crude oil output fell by 0.3% to 8.977 million bpd in January from 9.004 million bpd December. It was slightly below Russia's output quota of 8.98 million bpd under a pact among OPEC+ producers.

Russia's Deputy Prime Minister Alexander Novak said Russia is in full compliance with the OPEC+ deal to restrain oil production in January and plans to do so this month.

Equinor restored partial production at its giant Johan Sverdrup oilfield in the North Sea and is working towards achieving full capacity, following an unplanned shutdown on Tuesday.

Early Market Call - as of 8:55 AM EDT

WTI - Mar \$70.50, down 87 cents

RBOB - Mar \$2.0677, down 2.19 cents

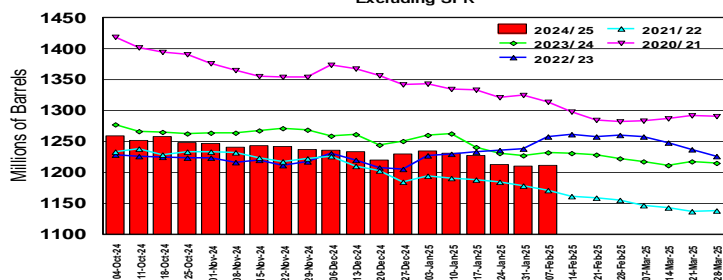
HO - Mar \$2.4130, down 3.9 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-25	2.4520	-0.0626	0.0678
Apr-25	2.3932	-0.0579	0.0560
May-25	2.3436	-0.0562	0.0425
Jun-25	2.3131	-0.0549	0.0364
Jul-25	2.3026	-0.0542	0.0337
Aug-25	2.2970	-0.0538	0.0316
Sep-25	2.2977	-0.0529	0.0300
Oct-25	2.2992	-0.0516	0.0292
Nov-25	2.2969	-0.0506	0.0282
Dec-25	2.2915	-0.0499	0.0265
Jan-26	2.2898	-0.0500	0.0244
Feb-26	2.2818	-0.0500	0.0224
Mar-26	2.2669	-0.0500	0.0204
Apr-26	2.2452	-0.0496	0.0186
May-26	2.2315	-0.0491	0.0174
Jun-26	2.2214	-0.0486	0.0168
Jul-26	2.2197	-0.0486	0.0164

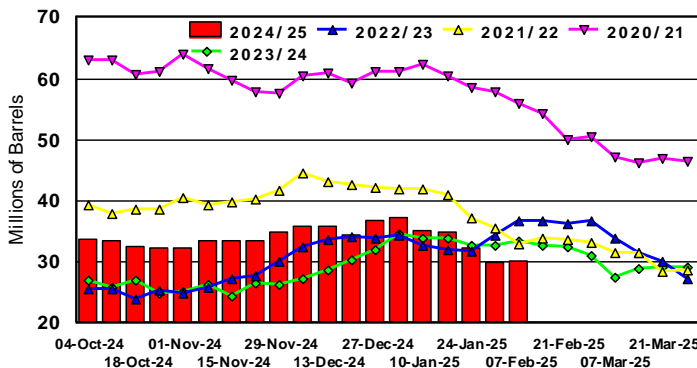
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$3.94	\$71.2400	-\$1.8400
Crude - Brent		\$75.1800	-\$1.8200
Natural Gas		\$3.5650	\$0.0460
Gasoline		\$2.0896	-\$0.0577

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending February 7, 2025

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 4.07 million barrels
Cushing, OK Crude Stocks Up 872,000 barrels
Gasoline Stocks Down 3.035 million barrels
Distillate Stocks Up 135,000 barrels
Refinery % Operated 85%, up 0.5%

PADD #1

	Week Ending Feb. 7, 2025	Week Ending Jan. 31, 2024	Week Ending Feb. 9, 2024
Distillate Stocks (in million bbl)			
New England	5.2	5.0	5.0
Central Atlantic	14.6	13.6	16.4
Total PADD #1	30.0	29.9	33.4
Distillate Imports (thousands b/d)			
	215	125	117