

Market Commentary

Recap: The oil market on Tuesday posted an outside trading day as the market weighed the expectations of a Russia-Ukraine peace deal and news of a Ukrainian drone strike on an oil pipeline pumping station in Russia. The oil market, during Monday's shortened trading session, traded to its low of \$70.12 after U.S. President Donald Trump and his administration officials announced they had begun discussions with Russia to end the war in Ukraine. The market later bounced off its low and began its upward trend on a Bloomberg News report stating that OPEC+ was considering whether to delay the supply increases, which was later denied by Russia's Deputy Prime Minister, Alexander Novak. The market was further supported and rallied to a high of \$72.07 early Tuesday morning on news that Ukrainian drones had attacked a Russian pipeline that pumps about 1% of global crude supply. However, the market gave up some of its sharp gains and traded in a sideways trading range amid the uncertainty in the market. The March WTI contract settled up \$1.11 at \$71.85 and the April Brent contract settled up 62 cents at \$75.84. The product markets ended the session lower, with the heating oil market settling down 2.12 cents at \$2.4406 and the RB market setting down 32 points at \$2.0867.

Technical Analysis: The crude market will continue to trade sideways as it continues to hold support above the \$70 level amid the uncertainty in the market. The market will continue to weigh the possibility of a Russian-Ukrainian peace deal and the fall of about 30% of Kazakhstan's oil exports for up to two months due to drone attacks and the output cuts due to wells in the U.S. freezing due to the cold temperatures. It will also await the release of the weekly petroleum stocks due out on Wednesday afternoon and Thursday morning, which are expected to show builds in crude stocks of over 2 million barrels in the week ending February 14th. The oil market is seen finding resistance at its high of \$72.07, \$73.22, \$73.68, \$74.75, \$75.18-\$75.21 and \$75.89. Meanwhile, support is seen at \$70.12-\$70.10, \$70.00 and \$69.75.

Fundamental News: On Tuesday, a senior Russian official said that Ukrainian drones had attacked a pipeline in Russia which pumps about 1% of global crude supply, a strike that he said could disrupt flows to world markets and damage U.S. companies. On Monday, the Caspian Pipeline Consortium said that a crude oil transportation facility, the Kropotkinskaya station in the southern Krasnodar region, was struck by several drones loaded with explosives and shrapnel. Russia's Deputy Prime Minister, Alexander Novak, said that the volume of oil pumped through the Caspian Pipeline Consortium was down by 30-40% due to a Ukrainian drone attack on a pumping station in southern Russia. Separately, Russian oil transporting company Transneft said oil transit volumes from Kazakhstan via the Caspian Pipeline Consortium pipeline could be reduced about 30% due to the damage done by a Ukrainian drone attack. It said it will take up to two months to deal with the damage caused by the drone strike.

The State Department said the United States and Russia agreed on Tuesday to address "irritants" to the U.S.-Russia relationship and begin working on a path to end Russia's war in Ukraine.

The North Dakota Pipeline Authority said oil production was estimated to be down between 120,000 and 150,000 bpd of oil, as of Tuesday morning, due to the recent extreme cold and related operations challenges. Justin Kringstad, the director of the North Dakota Pipeline Authority, said associated wellhead natural gas production was also estimated to be down 0.34 to 0.42 bcf/d.

Russian Deputy Prime Minister, Alexander Novak, said that OPEC+ producers are not considering a delay to a series of monthly oil supplies increases scheduled to begin in April.

Early Market Call - as of 9:15 AM EDT

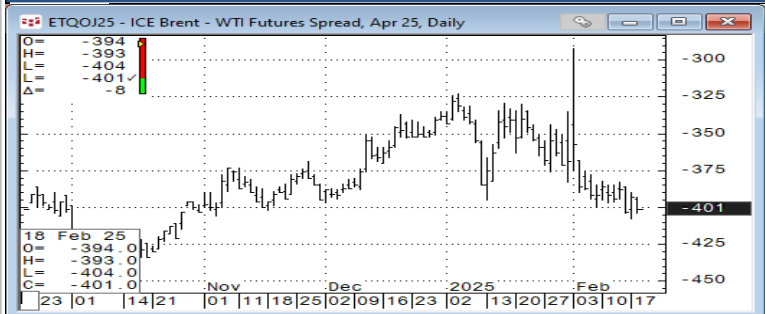
WTI - Mar \$72.83, up 98 cents
 RBOB - Mar \$2.1060, up 1.93 cents
 HO - Mar \$2.4689, up 2.83 cents

All NYMEX | Prior Settlements

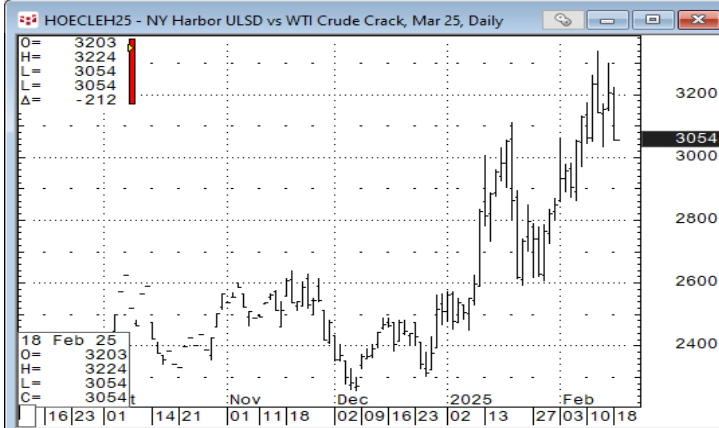
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-25	2.4406	-0.0212	-0.0740
Apr-25	2.3874	-0.0109	-0.0637
May-25	2.3411	-0.0042	-0.0587
Jun-25	2.3127	0.0000	-0.0553
Jul-25	2.3010	0.0011	-0.0558
Aug-25	2.2964	0.0024	-0.0544
Sep-25	2.2995	0.0035	-0.0511
Oct-25	2.3035	0.0043	-0.0473
Nov-25	2.3021	0.0046	-0.0454
Dec-25	2.2959	0.0037	-0.0455
Jan-26	2.2938	0.0035	-0.0460
Feb-26	2.2854	0.0035	-0.0464
Mar-26	2.2707	0.0039	-0.0462
Apr-26	2.2501	0.0046	-0.0447
May-26	2.2371	0.0049	-0.0435
Jun-26	2.2268	0.0043	-0.0432
Jul-26	2.2253	0.0044	-0.0430

Sprague HeatCurve October 2025-April 2026		\$2.2868
		Change
Crude - WTI	Apr Brent- WTI Spread	\$1.1200
Crude - Brent	\$4.01	\$0.6200
Natural Gas		\$0.2820
Gasoline		-\$0.0032

ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread

