

Market Commentary

Recap: The oil market traded higher on Monday after the U.S. imposed new sanctions against Iran and on Iraq's reaffirmation of its commitment to the OPEC+ group's supply agreement. The market also steadied amid the uncertainty of a potential peace deal between Ukraine and Russia. On the opening on Sunday night, the market gapped lower from \$70.17 to \$69.80 amid the news of an expected increase in supply from Iraq. Iraq is expected to export 185,000 bpd from Kurdistan's oilfield through the Iraq-Turkey pipeline once oil shipments resume. However, the market quickly backfilled its opening gap and traded back over the \$70 level after the U.S. imposed a new round of sanctions targeting Iran's oil industry and Iraq said it would present an updated plan to compensate for any overproduction of its OPEC+ production quotas in recent months. The market traded to a high of \$70.88 by mid-morning and remained range bound during the remainder of the session. The April WTI contract settled up 30 cents at \$70.70 and the April Brent contract settled up 35 cents at \$74.78. The product markets ended the session in mixed territory, with the heating oil market settling up 35 points at \$2.4358 and the RB market settling down 1.57 cents at \$2.0110.

Technical Analysis: The crude market will remain mostly sideways as it seems to be holding support over the \$70 level following a brief selloff on Sunday night. The market is seen trending sideways as the market awaits for further developments on a possible ceasefire deal between Ukraine and Russia. The market is seen finding support at \$70.00, its low of \$69.80, \$69.75 and \$69.41. Meanwhile, resistance is seen at its high of \$70.93, \$72.77, \$72.87, \$73.14, \$73.33, \$73.82, \$74.06, \$74.51 and 74.77.

Fundamental News: Ukraine enters the fourth year of war with Russia on Monday, hosting European and world leaders for a summit, as it is unsure it can rely on its staunchest ally, the United States. Ukraine hosted the European Commission President Ursula von der Leyen, European Council President Antonio Costa and the leaders of Canada, Finland, Denmark, Norway and Sweden to mark the third anniversary. Albania, Britain, Croatia, Czech Republic, Germany, Japan, Moldova, the Netherlands, Poland, Switzerland and Turkey's leaders spoke by video link. On Sunday, Ukraine's President Zelenskyy said he was willing to give the presidency if it meant peace, quipping that he could exchange his departure for Ukraine's entry into NATO.

The Iraqi Kurdish government announced it was forming a technical team with the Iraqi oil ministry to inspect the Iraq-Turkey pipeline which has been shuttered for nearly the past two years. Meanwhile the Iraqi oil ministry has contacted Turkish officials for information about the readiness of the pipeline in Turkey to handle the resumption of crude oil exports to Ceyhan. Meanwhile the Iraqi oil ministry said Sunday it had reached agreement with Iraqi Kurdish officials for Iraq to receive around 185,000 b/d of crude oil from Kurdistan for exports once flows resume via the pipeline from Turkey. Reuters reported that behind the scenes recent pressure from the Trump administration appears to have pushed forward the resumption of exports.

Iraq said it will submit an updated plan to compensate for overproduction during the previous period. Iraq said it will continue its efforts to compensate the accumulated overproduction while taking into account an anticipated handover of oil for export from the Kurdistan Regional Government.

IIR Energy said U.S. oil refiners are expected to shut in 1.1 million bpd of capacity in the week ending February 28th, increasing available refining capacity by 271,000 bpd.

Early Market Call - as of 8:30 AM EDT

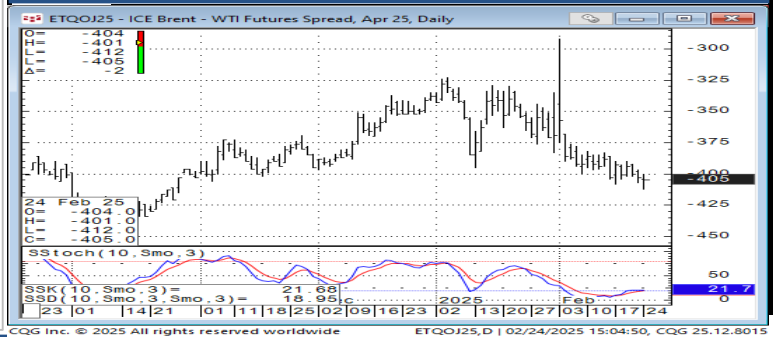
WTI - Apr \$70.26, down 44 cents
 RBOB - Mar \$2.0131, up 21 points
 HO - Mar \$2.4383, up 25 points

All NYMEX | Prior Settlements

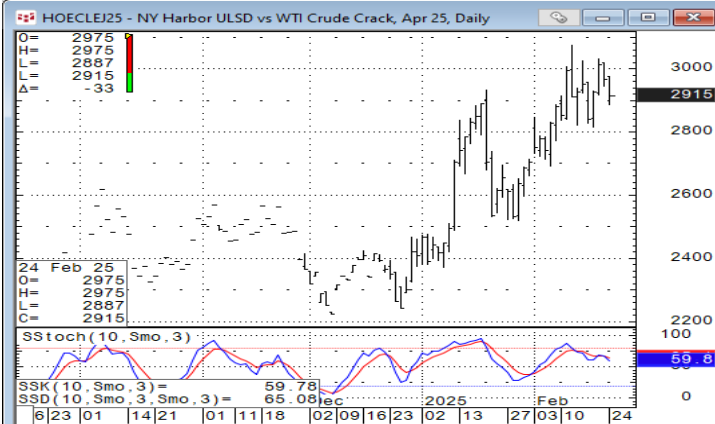
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-25	2.4358	0.0035	-0.0260
Apr-25	2.3777	-0.0004	-0.0206
May-25	2.3178	-0.0039	-0.0275
Jun-25	2.2817	-0.0059	-0.0310
Jul-25	2.2689	-0.0055	-0.0310
Aug-25	2.2642	-0.0052	-0.0298
Sep-25	2.2686	-0.0048	-0.0274
Oct-25	2.2743	-0.0041	-0.0249
Nov-25	2.2743	-0.0034	-0.0232
Dec-25	2.2703	-0.0023	-0.0219
Jan-26	2.2692	-0.0020	-0.0211
Feb-26	2.2620	-0.0014	-0.0199
Mar-26	2.2483	-0.0003	-0.0185
Apr-26	2.2281	0.0002	-0.0174
May-26	2.2167	0.0011	-0.0155
Jun-26	2.2084	0.0017	-0.0141
Jul-26	2.2082	0.0022	-0.0127

Sprague HeatCurve October 2025-April 2026		Close	
Crude - WTI	Apr Brent-	\$70.7000	\$0.3000
Crude - Brent	WTI Spread	\$74.7800	\$0.3500
Natural Gas	\$4.08	\$3.9940	-\$0.2400
Gasoline		\$2.0110	-\$0.0157

ICE April Brent-WTI Spread



April Heating Oil Crack Spread



April RBOB Crack Spread

