

## Market Commentary

**Recap:** The oil market continued to trend higher on Friday for the fifth consecutive session and settled up 6% on the week amid the concerns over broadening tensions in the Middle East after Israel rejected a ceasefire offer from Hamas earlier in the week. Israel continued its air strikes on the Gaza Strip on Friday after the bombing of the southern border city of Rafah on Thursday pushed the oil market higher. The oil market traded mostly sideways in overnight trading and traded to \$76.63 before it erased some of its gains early in the session and posted a low of \$75.93. However, the market bounced off its low of \$75.93 and rallied to a high of \$77.29. The market later gave up some of its gains once again and settled in a sideways trading range during the remainder of the session. The March WTI contract settled up 62 cents at \$76.84 and the April Brent contract settled up 58 cents at \$76.77. The product markets ended the session mixed, with the heating oil market settling up 7.34 cents at \$2.9642 and the RB market settling down 25 points at \$2.3395.

**Technical Analysis:** The crude market will likely continue to trend higher amid the concerns over the situation in the Middle East as there currently seems to be no end to the conflict between Israel and Hamas. Also, technically the market is seen trending higher as its stochastics have crossed to the upside. The market is seen finding resistance at its high of \$77.29, \$78.11-\$78.14, \$79.29 followed by \$79.56 and \$80.08. Meanwhile, support is seen at its low of \$75.93, \$74.60, \$73.56, \$73.23, \$72.38 and \$71.41.

**Fundamental News:** U.S. President Joe Biden said Israel's military response in Gaza was "over the top" and that he was seeking a sustained pause in fighting as diplomats sought to salvage ceasefire talks after Prime Minister Benjamin Netanyahu rejected a Hamas proposal. He also said he has been pushing for a deal to normalize Saudi Arabia-Israel relations, increased humanitarian aid for Palestinian civilians and a temporary pause in fighting to allow the release of hostages taken by Hamas. In a sign that diplomacy was not over, a Hamas delegation led by senior official Khalil Al-Hayya arrived in Cairo on Thursday for ceasefire talks with mediators Egypt and Qatar.

U.S. forces conducted seven strikes yesterday against Houthi vessels and missiles that were preparing attacks against ships in the Red Sea, Central Command said.

The Governor of Russia's Ryoil region, Andrei Klychkov, said Russian air defense systems foiled an attempted Ukrainian drone attack on the facilities of a fuel and energy complex in the region.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for the third time in four weeks. It said the oil and gas rig count increased by 4 to 623 in the week to February 9<sup>th</sup>, its highest since mid-December. Baker Hughes said U.S. oil rigs held steady at 499 this week, while gas rigs increased by 4 to 121, their highest level since September.

A survey by Platts found that OPEC+ crude oil production in January totaled 41.21 million b/d down some 340,000 b/d from December but still far less than the 700,000 b/d cuts that had been agreed upon by the group. The Platts survey found that Iraq was well above its quota, with Kazakhstan, the UAE and Kuwait also missing their production targets.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.9 million bpd of capacity in the week ending February 9<sup>th</sup>, increasing available refining capacity by 27,000 bpd.

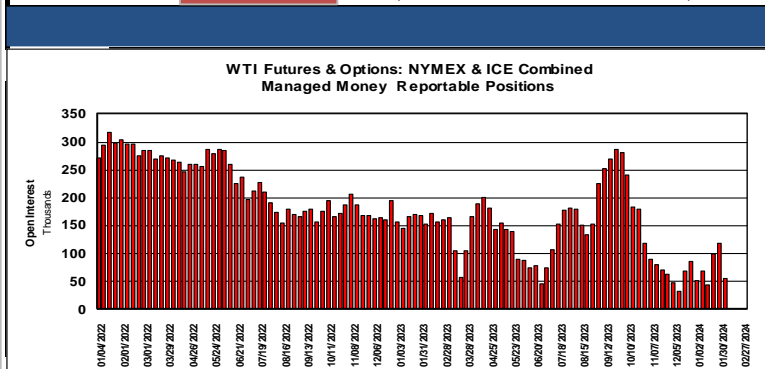
**Early Market Call - as of 8:30 AM EDT**

WTI - March \$76.09, down 75 cents  
 RBOB - March \$2.3369, down 26 points  
 HO - March \$2.9158, down 4.84 cents

## All NYMEX | Prior Settlements

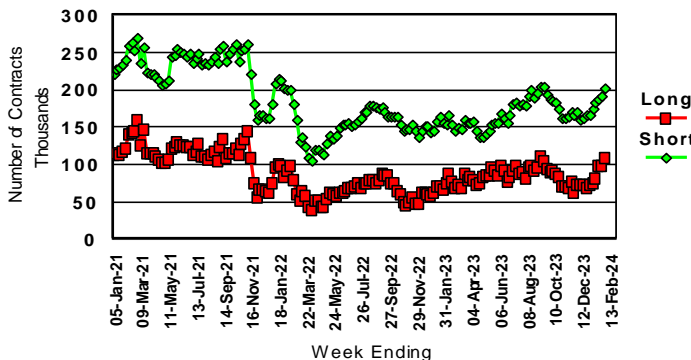
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	\$2.9642	\$0.0734	\$0.3042
Apr-24	\$2.8713	\$0.0566	\$0.2676
May-24	\$2.7697	\$0.0450	\$0.2286
Jun-24	\$2.6921	\$0.0367	\$0.1981
Jul-24	\$2.6545	\$0.0332	\$0.1789
Aug-24	\$2.6322	\$0.0314	\$0.1652
Sep-24	\$2.6248	\$0.0303	\$0.1565
Oct-24	\$2.6224	\$0.0294	\$0.1516
Nov-24	\$2.6117	\$0.0277	\$0.1464
Dec-24	\$2.5918	\$0.0256	\$0.1406
Jan-25	\$2.5737	\$0.0243	\$0.1347
Feb-25	\$2.5519	\$0.0230	\$0.1280
Mar-25	\$2.5239	\$0.0217	\$0.1206
Apr-25	\$2.4905	\$0.0207	\$0.1126
May-25	\$2.4654	\$0.0201	\$0.1055
Jun-25	\$2.4440	\$0.0200	\$0.0984
Jul-25	\$2.4297	\$0.0199	\$0.0939

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Apr Brent-WTI Spread \$5.42	\$76.7700	\$0.5800
Crude - Brent		\$82.1900	\$0.5600
Natural Gas		\$1.8470	-\$0.0700
Gasoline		\$2.3395	-\$0.0025

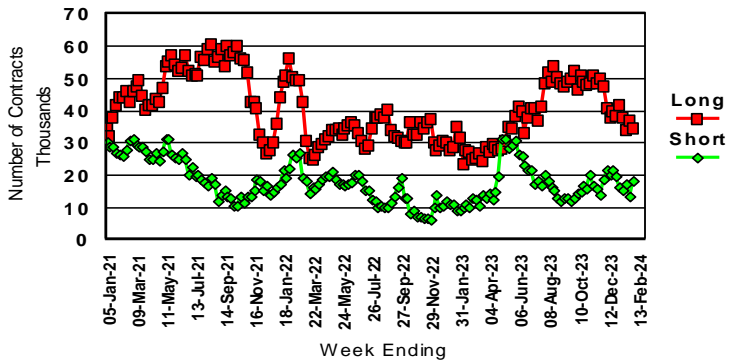


## Commitment of Traders Report for the Week Ending February 6, 2024

**Producer/Merchant Heat Posits**  
 CFTC Commitment of Traders Report



**Managed Money Heat Posits**  
 CFTC Commitment of Traders Report



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.