

Market Commentary

Recap: The oil market on Friday continued to trade mostly sideways as the market continued to weigh the prospects of a Russia-Ukraine peace deal against the concerns of the increasing tensions between the U.S. and Venezuela. Optimism over a potential U.S.-led Ukraine peace deal eased supply risk concerns, while President Trump in an NBC interview left the possibility of war with Venezuela on the table as he continues to pressure Venezuela's leader, Nicolas Maduro. The January WTI contract, on its last day as the spot contract, posted a low of \$55.82 in overnight trading before it retraced some of its losses and posted a high of \$56.90 in afternoon trading. The market later erased some of its gains ahead of the close. The January WTI contract went off the board up 51 cents at \$56.66, while the February WTI contract settled up 52 cents at \$56.52 after posting a trading range of \$55.61 to \$56.72. The February Brent contract settled up 65 cents at \$60.47. The product markets ended the session in mixed territory, with the heating oil market settling down 97 points at \$2.1219 and the RB market settling up 69 points at \$1.7082.

Technical Analysis: The crude market will remain driven by the latest headlines. The market will look for the developments regarding the possible peace deal between Russia and Ukraine as the U.S. is scheduled to hold talks with its Russian counterparts to review the latest draft peace proposal following talks between the U.S., Ukraine and European leaders. The oil market will also look to the developments of increasing tension between the U.S. and Venezuela, with President Trump noting the possibility of war with Venezuela and adding that there were to be additional seizures of oil tankers near Venezuela. The February WTI contract is seen finding support at \$55.61, \$55.08, \$54.89 and \$54.71. Meanwhile, resistance is seen at \$56.72, \$56.85, \$56.89, \$57.51, \$57.61, \$58.01, \$58.12, \$58.76, \$58.83, \$58.93, \$60.01 and \$60.12.

Fundamental News: According to an interview with NBC News, U.S. President Donald Trump said he was leaving the possibility of war with Venezuela on the table. President Trump also said there would be additional seizures of oil tankers near Venezuelan waters. Trump has also previously said that U.S. land strikes on the South American country will soon start. In his NBC interview, Trump declined to say whether removing Maduro was his ultimate goal, telling NBC News: "He knows exactly what I want."

U.S. Secretary of State Marco Rubio said that the United States is not concerned about an escalation with Russia when it comes to Venezuela, adding that Washington always expected Moscow to provide rhetorical support for Venezuelan President Nicolas Maduro.

Russian President Vladimir Putin told his annual press conference on Friday that Moscow does not believe Ukraine is ready for peace talks. He said Russia was "ready and willing" to end the conflict in Ukraine peacefully, based on principles he said he had set out at the Foreign Ministry in 2024.

S&P Global Energy CERA data showed that the U.S. oil and natural gas drilling rig count fell to 564 in the week ended December 10th, down four from the prior week, as oil producers continued to retract drilling activity, particularly in the Eagle Ford Basin. The number of rigs chasing oil was down three to 448 week over week, while rigs chasing gas were down one to 116 during the same period.

Baker Hughes said U.S. energy firms this week cut the number of oil and natural gas rigs operating for a second consecutive week for the first time since August. The oil and gas rig count fell by six to 542 in the week ending December 19th, the lowest level since September. Baker Hughes said oil rigs fell by eight to 406 this week, their lowest level since September 2021, while gas rigs held at 127 and miscellaneous rigs increased by two to nine.

IIR Energy said U.S. oil refiners are expected to shut in about 186,000 bpd of capacity in the week ending December 19th, increasing available refining capacity by 55,000 bpd.

Early Market Call - as of 8:00 AM EDT

WTI - Feb \$57.72, up \$1.18

RBOB - Jan \$1.7391, up 2.76 cents

HO - Jan \$2.1662, up 4.25 cents

January Heating Oil



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All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-26	2.1219	-0.0097	-0.0761
Feb-26	2.1164	-0.0083	-0.0731
Mar-26	2.0947	-0.0066	-0.0682
Apr-26	2.0627	-0.0035	-0.0635
May-26	2.0419	-0.0018	-0.0590
Jun-26	2.0280	-0.0012	-0.0551
Jul-26	2.0283	-0.0016	-0.0514
Aug-26	2.0316	-0.0019	-0.0490
Sep-26	2.0382	-0.0020	-0.0471
Oct-26	2.0450	-0.0018	-0.0449
Nov-26	2.0485	-0.0018	-0.0421
Dec-26	2.0491	-0.0017	-0.0389
Jan-27	2.0534	-0.0014	-0.0356
Feb-27	2.0531	-0.0013	-0.0336
Mar-27	2.0469	-0.0008	-0.0321
Apr-27	2.0340	-0.0007	-0.0305
May-27	2.0277	-0.0006	-0.0284

Sprague HeatCurve October 2026-April 2027

	Close	Change
Crude - WTI	\$56.5200	\$0.5200
Crude - Brent	\$60.4700	\$0.6500
Natural Gas	\$3.9840	\$0.0760
Gasoline	\$1.7082	\$0.0069

February WTI



Weather Outlook

8-14 Day Temperature Outlook

