

Market Commentary

Recap: The oil market traded higher on Thursday as the stalled Ukraine peace talks tempered any expectations of a deal that would likely result in the removal of sanctions on Russian oil. The market was also supported by the expectations for the Federal Reserve to cut interest rates at its meeting next week. The crude market traded sideways in overnight trading and sold off to a low of \$58.81 early in the session. The market pressured by Saudi Arabia announcing cuts to its official selling prices for January, with its prices for crude bound for Asia falling to its lowest level in five years. The cut in prices could spur additional Chinese imports, where independent refiners received the first batch of their 2026 import quotas. The market, however, bounced off its low and retraced almost 62% of its move from a high of \$61.84 to a low of \$57.10 as it rallied to a high of \$60.02 by mid-day. The oil market later settled in a sideways trading range during the remainder of the session. The January WTI contract ended the session up 72 cents at \$59.67 and the February Brent contract settled up 59 cents at \$63.26. The product markets settled in mixed territory, with the heating oil market settling up 29 points at \$2.3037 and the RB market settling down 1 point at \$1.8271.

Technical Analysis: The crude market will continue to trade within its recent trading range. The market will continue to weigh the geopolitical concerns over stalled peace talks to end the war in Ukraine and the recent attacks on Russia's oil infrastructure against the news that Saudi Arabia cut its official crude selling prices for January. The market is seen finding support at \$58.81, \$58.37, \$58.28, \$57.66, \$57.10, \$56.33 and \$55.99. Meanwhile, resistance is seen at \$60.02-\$60.03, \$60.20, \$60.70, \$60.85, \$61.01, \$61.18, \$61.60 and \$61.84.

Fundamental News: Russian President Vladimir Putin said that his meeting with U.S. envoys Steve Witkoff and Jared Kushner had been "very useful", and that it had been based on the proposals discussed with President Donald Trump in Alaska. He said there were issues that Russia did not agree with and were discussed. Russia's President said that European countries should get involved in a Ukrainian peace settlement, rather than hindering it. Separately, Russian President Vladimir Putin said, in an interview, that Russia would take full control of Ukraine's Donbas region by force unless Ukrainian forces withdraw, something Ukraine has flatly rejected. In discussions with the United States over the outline of a possible peace deal to end the war, Russia has repeatedly said that it wants control over the whole of Donbas and that the United States should informally recognize Moscow's control.

ANZ said fears of ongoing disruptions from Russia and Ukraine continuing to attach each other's energy infrastructure will ultimately keep Brent crude above \$60/barrel. It said further upside in Brent prices would be limited as supply outpaces demand in 2026, pushing the oil market into a surplus. It said lower refinery runs rates coupled with the increases in OPEC+ output would have seen global crude oil inventories build and likely keep prices below \$65/barrel in the first half of 2026. ANZ said a revival in the global economy would likely support oil prices in the second half of 2026, with prices subsequently moving towards \$70/barrel. It said it expects oil prices to end the year at \$62/barrel. It expects any impact on Russian oil exports to be relatively short-lived, which should cap any further upside to oil prices.

According to a Reuters survey, OPEC's oil output fell in November, despite an OPEC+ agreement to raise production for the month, due to outages in some members. OPEC produced 28.40 million bpd in November, down 30,000 bpd from October's total.

Early Market Call - as of 8:35 AM EDT

WTI - Jan \$59.55, down 15 cents
RBOB - Jan \$1.8307, down 14 points
HO - Jan \$2.3461, up 2.75 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-26	2.3037	0.0029	0.0035
Feb-26	2.2817	0.0027	0.0107
Mar-26	2.2489	0.0030	0.0102
Apr-26	2.2076	0.0032	0.0088
May-26	2.1776	0.0036	0.0072
Jun-26	2.1569	0.0034	0.0070
Jul-26	2.1511	0.0038	0.0076
Aug-26	2.1492	0.0043	0.0071
Sep-26	2.1514	0.0047	0.0066
Oct-26	2.1533	0.0048	0.0053
Nov-26	2.1518	0.0050	0.0041
Dec-26	2.1475	0.0051	0.0027
Jan-27	2.1470	0.0053	0.0021
Feb-27	2.1433	0.0050	0.0017
Mar-27	2.1338	0.0050	0.0016
Apr-27	2.1174	0.0051	0.0016
May-27	2.1073	0.0050	0.0013

Sprague HeatCurve October 2026-April 2027

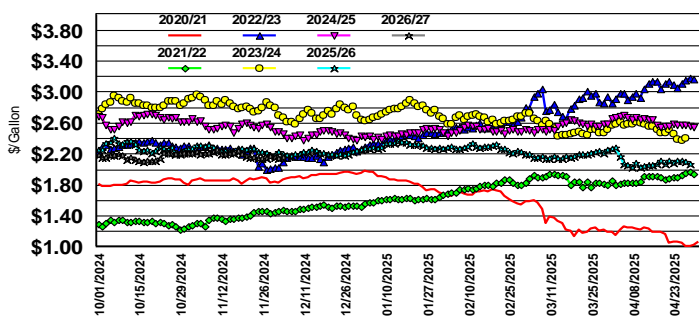
	Close	Change
Crude - WTI	\$59.3100	\$0.6500
Crude - Brent	\$63.2600	\$0.5900
Natural Gas	\$5.0630	\$0.0680
Gasoline	\$1.8271	-\$0.0001

EIA Working Gas Storage Report

	28-Nov-25	21-Nov-25	Change	28-Nov-24
East	888	892	-4	916
Midwest	1088	1103	-15	1,118
Mountain	288	292	-4	289
Pacific	315	319	-4	310
South Central	1345	1329	16	1,309
Salt	371	360	11	361
Nonsalt	974	969	5	948
Total	3923	3935	-12	3,941

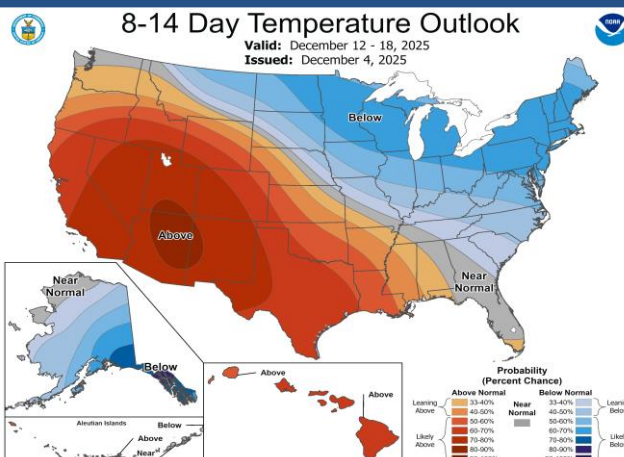
Sprague HeatCurve

Sprague HeatCurve October-April



Weather Forecast

8-14 Day Temperature Outlook



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