

Market Commentary

Recap: The oil market posted an outside trading but continued to trade within last Friday's trading range ahead of the New Year, as the market weighed the expectations of oversupply against the geopolitical risks. The market traded mostly sideways in overnight trading before it breached its previous high as it rallied to a high of \$58.55 early in the session. The market, however, gave up its gains and sold off sharply during the remainder of the session as the market's expectation of an oversupply offset the geopolitical risks. It extended its losses to 75 cents as it posted a low of \$57.20 ahead of the close. The February WTI contract settled down 53 cents at \$57.42 and ended the year down almost 20%, while, the February Brent contract ended the session down 48 cents at \$60.85 and logged an annual decline of about 19%. Meanwhile, the product markets ended lower, with the heating oil market settling down 2.99 cents at \$2.1206 and the RB market settling down 1.56 cents at \$1.7054.

Technical Analysis: The crude market is still seen remaining its sideways trading range on Friday barring any major news at the start of the new year. The market will look to the developments on the Russia-Ukraine peace talks and the Middle East tensions, while the perception of an oversupplied market continues to limit its gains. The oil market is seen finding support at \$57.20, \$57.04, \$56.91, \$56.81, \$56.65, \$56.60, \$56.41, \$55.61, \$55.08 and \$54.89. Meanwhile, resistance is seen at \$58.55, \$58.88, \$58.93, \$60.01 and \$60.12.

Fundamental News: The Omani Foreign Ministry said Oman's Foreign Minister met his Saudi counterpart in Riyadh on Wednesday to discuss containing an escalation Saudi-UAE tensions over Yemen and finding a political solution to the crisis, after a Saudi-led airstrike on the southern Yemeni port of Mukalla on Tuesday.

U.S. special envoy, Steve Witkoff, said President Donald Trump's advisers held talks on Wednesday with Ukrainian President Volodymyr Zelenskiy and national security advisers from the UK, France and Germany to discuss the next steps in ending Russia's war in Ukraine. U.S. Secretary of State Marco Rubio, President Trump's son-in-law Jared Kushner and Ukraine's top negotiator Rustem Umerov also participated.

Russia's Chief of the General Staff, Valery Gerasimov, said its forces were pressing forward in northeastern Ukraine and President Vladimir Putin had ordered expansion of territory Moscow calls a buffer zone there in 2026.

The U.S. Treasury Department reported that the U.S. issued new Venezuela-related sanctions on four crude oil tankers and four firms.

IIR Energy said U.S. oil refiners are expected to shut in about 192,000 bpd of capacity in the week ending January 2nd, cutting available refining capacity by 47,000 bpd. Offline capacity is expected to increase to 625,000 bpd in the week ending January 9th.

The EIA reported that U.S. oil production reached a record high in October. U.S. oil output increased by 31,000 bpd to 13.87 million bpd. Oil output in New Mexico increased by 31,000 bpd to a record 2.38 million bpd, while output from the federal offshore gulf region increased by 46,000 bpd to 2 million bpd in October, the highest level since August 2019. Texas oil production meanwhile fell 45,000 bpd to 5.8 million bpd. Product supplied increased by 158,000 bpd to 9 million bpd in October.

Early Market Call - as of 8:45 AM EDT

WTI - Feb \$56.94, down 47 cents
 RBOB - Feb \$1.6971, down 1.54 cents
 HO - Feb \$2.1144, down 76 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-26	2.1206	-0.0299	-0.0370
Feb-26	2.1215	-0.0359	-0.0322
Mar-26	2.1034	-0.0316	-0.0290
Apr-26	2.0715	-0.0285	-0.0287
May-26	2.0490	-0.0260	-0.0295
Jun-26	2.0346	-0.0235	-0.0287
Jul-26	2.0353	-0.0217	-0.0275
Aug-26	2.0391	-0.0205	-0.0264
Sep-26	2.0461	-0.0197	-0.0254
Oct-26	2.0533	-0.0186	-0.0239
Nov-26	2.0571	-0.0178	-0.0226
Dec-26	2.0576	-0.0175	-0.0219
Jan-27	2.0620	-0.0170	-0.0213
Feb-27	2.0622	-0.0164	-0.0209
Mar-27	2.0570	-0.0160	-0.0204
Apr-27	2.0446	-0.0162	-0.0200
May-27	2.0380	-0.0161	-0.0198

Sprague HeatCurve October 2026-April 2027		\$2.0578
	Close	Change
Crude - WTI	\$57.4200	-\$0.5300
Crude - Brent	\$60.8500	-\$0.4800
Natural Gas	\$3.6860	-\$0.2860
Gasoline	\$1.7054	-\$1.5600

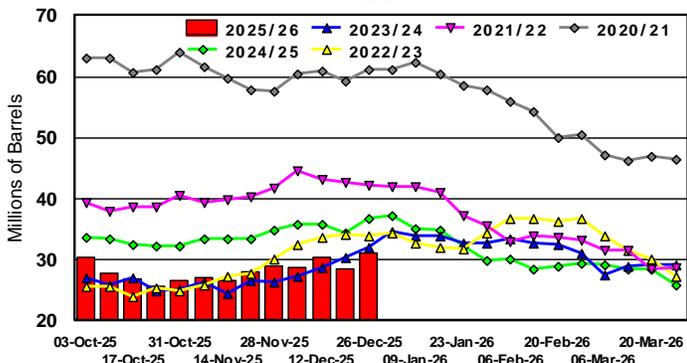
EIA Working Gas Storage Report

	26-Dec-25	19-Dec-25	Change	26-Dec-24
East	736	751	-15	752
Midwest	865	904	-39	921
Mountain	264	266	-2	263
Pacific	307	303	4	295
South Central	1203	1190	13	1,200
Salt	343	323	20	349
Nonsalt	859	867	-8	851
Total	3375	3413	-38	3,430

Weekly EIA Petroleum Status Report for the Week Ending December 26, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 405,000 barrels
 Cushing, OK Crude Stocks Up 707,000 barrels
 Gasoline Stocks Up 2.9 million barrels
 Distillate Stocks Up 202,000 barrels
 Refinery % Operated 94.6%, down 0.2%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Dec 26, 2025	Week Ending Dec 19, 2025	Week Ending Dec 27, 2024
New England	4.8	4.1	5.3
Central Atlantic	14.3	14.1	18.2
Total PADD #1	31.1	28.5	36.6
Distillate Imports (thousands b/d)	261	133	133

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