



MarketWatch | Refined Products

Thursday, January 8, 2026

Market Commentary

Recap: The crude oil market on Wednesday sold off sharply following U.S. President Donald Trump's statement late Tuesday that the U.S. reached a deal to import up to \$2 billion worth of Venezuelan crude. The oil market quickly sold off to a low of \$55.76 during the overnight session following the announcement that the U.S. would refine and sell up to 50 million barrels of Venezuelan crude that had been stuck in Venezuela under the U.S. blockade. The market later bounced off its low and retraced all of its earlier losses as it posted a high of \$57.17 amid the news that the U.S. seized a Russian-flagged oil tanker after a more than two-week long pursuit across the Atlantic. However, the market once again erased its gains and traded back towards its low and held support at \$55.86 during the remainder of the session. The February WTI contract settled down \$1.14 at \$55.99 and the March Brent contract settled down 74 cents at \$59.96. The product markets ended the session settled in negative territory, with the heating oil market settling down 2.63 cents at \$2.0567 and the RB market settling down 61 points at \$1.6945.

Technical Analysis: The oil market on Thursday is seen trading sideways following Wednesday's losses. The market will weigh the news of the U.S. deal to import up to \$2 billion worth of Venezuelan crude against further geopolitical risk after the U.S. seized a Russian-flagged oil tanker, which could stoke tensions with Russia, as well as the ongoing tension between the UAE and Saudi Arabia. The crude market is seen finding support at its low of \$55.76, \$55.08, \$54.89 and \$54.71. Meanwhile, resistance is seen at \$56.95, \$57.17, \$57.32, \$57.69, \$58.88, \$58.93 followed by \$60.01 and \$60.12.

Fundamental News: On Tuesday, U.S. President Donald Trump said Caracas and Washington reached a deal to export up to \$2 billion worth of Venezuelan crude to the United States, a negotiation that would divert supplies from China while helping Venezuela avoid deeper oil production cuts.

CNBC reported that oil sales from Venezuela will continue indefinitely and sanctions will be reduced. Citing a source close to the White House, CNBC said the 50 million barrels were only the first tranche, with sales expected to continue indefinitely, and that U.S. sanctions on Venezuela would be rolled back as part of the deal.

The U.S. seized a Russian-flagged oil tanker that was being shadowed by a Russian submarine on Wednesday, after a more than two-week-long pursuit across the Atlantic as part of a U.S. "blockade" of Venezuelan oil exports. Separately, the U.S. Coast Guard has also intercepted another Venezuela-linked tanker in Latin American waters, as the U.S. continues enforcing its blockade of sanctioned vessels from Venezuela.

Russia said that the U.S. seizure of a Russian-flagged oil tanker in the Atlantic was a violation of maritime law. Russia's Foreign Ministry said Russia is demanding that the U.S. ensure humane and decent treatment of its citizens aboard a seized oil tanker and their swift return home.

Morgan Stanley analysts estimated the oil market could reach a surplus of as much as 3 million bpd in the first half of 2026, based on weak growth in demand last year and increasing supply from OPEC and non-OPEC producers.

IIR Energy said U.S. oil refiners are expected to shut in about 391,000 bpd of capacity in the week ending January 9th, decreasing available refining capacity by 206,000 bpd.

Early Market Call - as of 8:30 AM EDT

WTI - Feb \$56.93, up 53 cents

RBOB - Feb \$1.7315, up 2.72 cents

HO - Feb \$2.0849, up 1.62 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-26	2.0567	-0.0263	-0.0648
Feb-26	2.0501	-0.0279	-0.0533
Mar-26	2.0305	-0.0267	-0.0410
Apr-26	2.0155	-0.0245	-0.0335
May-26	2.0059	-0.0226	-0.0287
Jun-26	2.0081	-0.0216	-0.0272
Jul-26	2.0123	-0.0208	-0.0268
Aug-26	2.0198	-0.0200	-0.0263
Sep-26	2.0275	-0.0193	-0.0258
Oct-26	2.0326	-0.0185	-0.0245
Nov-26	2.0352	-0.0175	-0.0224
Dec-26	2.0403	-0.0168	-0.0217
Jan-27	2.0413	-0.0164	-0.0209
Feb-27	2.0352	-0.0164	-0.0218
Mar-27	2.0230	-0.0156	-0.0216
Apr-27	2.0167	-0.0146	-0.0213
May-27	2.0132	-0.0138	-0.0210

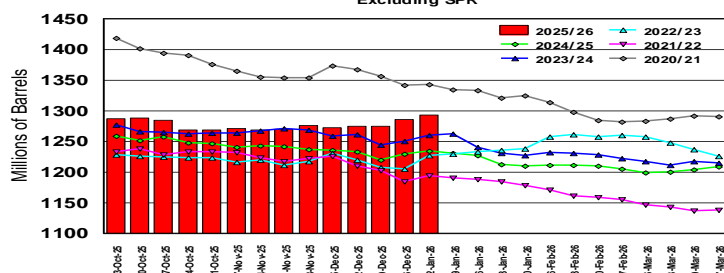
Sprague HeatCurve October 2026-April 2027

\$2.0355

	Close	Change
Crude - WTI	\$55.9000	-\$1.0400
Crude - Brent	\$59.9600	-\$0.7400
Natural Gas	\$3.5250	\$0.1750
Gasoline	\$1.6945	-\$0.0061

Total U.S. Oil Stocks

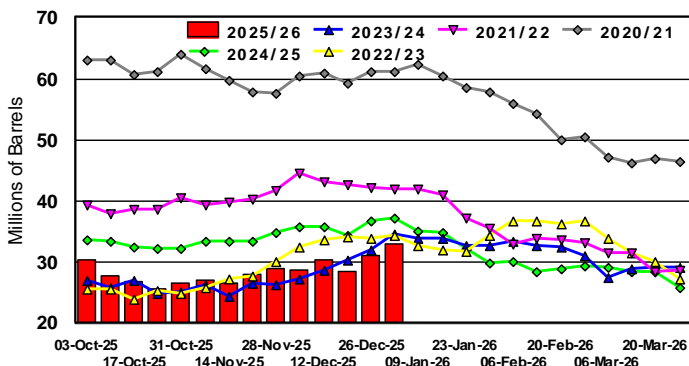
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending January 2, 2026

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.8 million barrels

Cushing, OK Crude Stocks Up 728,000 barrels

Gasoline Stocks Up 7.7 million barrels

Distillate Stocks Up 5.6 million barrels

Refinery % Operated 94.7%, unchanged

PADD #1

Distillate Stocks (in million bbl)	Week Ending Jan 2, 2026	Week Ending Dec 26, 2025	Week Ending Jan 3, 2025
New England	5.2	4.8	5.1
Central Atlantic	15.7	14.3	19.6
Total PADD #1	32.9	31.1	37.2
Distillate Imports (thousands b/d)	193	261	170

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