

Market Commentary

Recap: The crude oil market on Friday extended its gains amid the uncertainty regarding Venezuela and concerns about potential disruptions to Iran's output and escalations of attacks in Russia's war in Ukraine. The market is still digesting the implications of the U.S.' aim to control Venezuela's oil sector, with the Trump administration meeting oil companies and trading houses on Friday to discuss Venezuelan oil export deals. The oil market was well supported by the growing unrest in Iran, with protests in the country gathering momentum and causing concerns about disruptions to its oil industry, which currently produces over 3 million bpd of oil and exports over 2 million bpd. The market was further supported by news that Russia's military fired its hypersonic Oreshnik missile at targets in Ukraine. The crude market retraced some of Thursday's gains during the overnight session. However, the market bounced off a low of \$57.61 and rallied higher. The market retraced more than 38% of its move from a high of \$64.97 to a low of \$54.89 as it traded to a high of \$59.77 by mid-day. The market later settled in a sideways trading range as traders awaited the outcome of the Trump administration's meeting with oil companies and their potential involvement in Venezuela's oil industry. The February WTI contract settled up \$1.36 at \$59.12 and the March Brent contract settled up \$1.35 at \$63.34. The product markets ended the session higher, with the heating oil market settling up 1.55 cents at \$2.1350 and the RB market settling up 2.03 cents at \$1.7806.

Technical Analysis: The oil market will remain headline driven following the meeting between the Trump administration and oil companies, who discussed the future of Venezuela's oil industry, as well as concerns over potential disruptions of Iran's oil output as civil unrest intensifies and concerns about the spread of the Russia-Ukraine war. The crude market is seen finding resistance at \$59.77, \$59.93, \$60.01, \$60.12, \$60.45, \$60.60, \$60.87, \$61.01 and \$61.12. Meanwhile, support is seen at \$58.24, \$57.77, \$57.61, \$57.29, \$55.97, \$55.76, \$55.08 and \$54.89.

Fundamental News: U.S. President Donald Trump met with executives from some of the world's largest oil companies at the White House on Friday to discuss Venezuela, and said he wants them to invest \$100 billion in the country to expand its production. He praised a recent agreement with Venezuela's interim leaders to provide 50 million barrels of crude oil to the United States, and said he expects deliveries to continue indefinitely. He said American oil companies looking to invest in Venezuela would receive security guarantees. Chevron Vice Chairman Mark Nelson said at the White House meeting that the company is committed to investments in Venezuela. Exxon CEO Darren Woods said the company sees Venezuela as currently "uninvestable" and needs to see significant changes there for it to return. He said "It's absolutely critical that we get a technical team in place to assess the current state of the industry." Meanwhile, ConocoPhillips CEO, Ryan Lance, said U.S. banks including the Export-Import Bank may need to be involved in financing Venezuela oil investments. Separately, Trafigura's Chief Executive, Richard Holtum, said he expects the company to load its first vessel for exports of Venezuelan oil to the United States next week.

Iran was largely cut off from the outside world on Friday after authorities blacked out the internet to curb expanding protests, with phone calls not reaching the country, flights cancelled and online Iranian news sites only intermittently updating. Supreme Leader Ayatollah Ali Khamenei vowed not to back down, accusing protesters of acting on behalf of U.S. President Donald Trump, saying rioters were attacking public properties and warning that Tehran would not tolerate people acting as "mercenaries for foreigners". The protests that began over increasing inflation in the Islamic Republic late last month have spiraled into the biggest in three years.

IIR Energy reported that U.S. oil refiners are expected to shut in about 288,000 bpd of capacity in the week ending January 9th, cutting available refining capacity by 132,000 bpd.

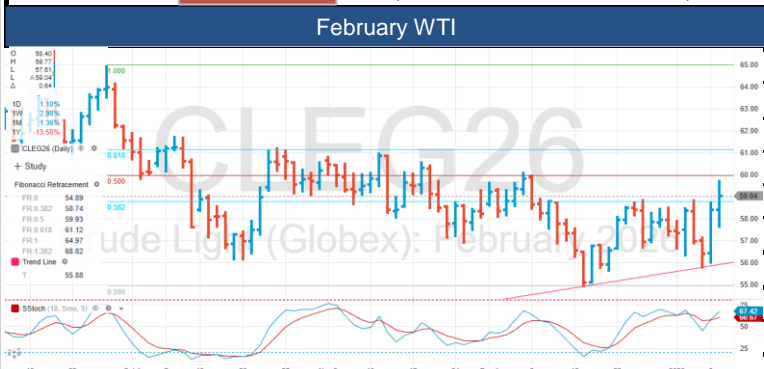
Early Market Call - as of 8:40 AM EDT

WTI - Feb \$58.72, down 6 cents
RB0B - Feb \$1.7847, up 98 points
HO - Feb \$2.1335, up 73 points

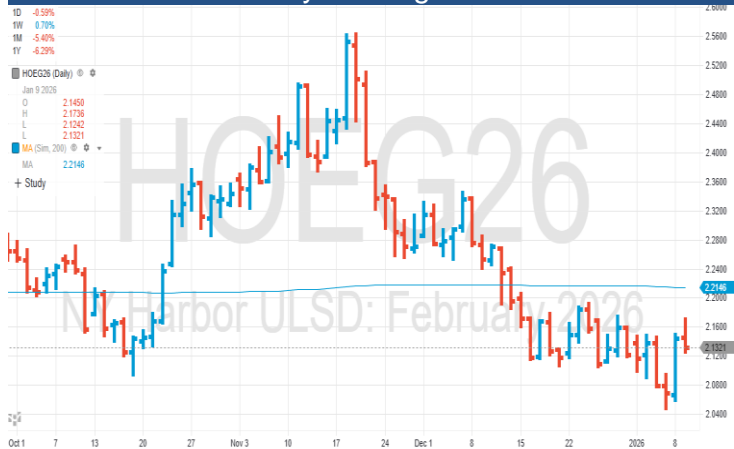
All NYMEX | Prior Settlements

| | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Feb-26 | 2.1350 | 0.0155 | 0.0199 |
| Mar-26 | 2.1295 | 0.0181 | 0.0302 |
| Apr-26 | 2.1107 | 0.0211 | 0.0405 |
| May-26 | 2.0954 | 0.0218 | 0.0460 |
| Jun-26 | 2.0843 | 0.0213 | 0.0493 |
| Jul-26 | 2.0832 | 0.0202 | 0.0478 |
| Aug-26 | 2.0845 | 0.0195 | 0.0454 |
| Sep-26 | 2.0891 | 0.0188 | 0.0426 |
| Oct-26 | 2.0943 | 0.0182 | 0.0401 |
| Nov-26 | 2.0970 | 0.0175 | 0.0384 |
| Dec-26 | 2.0978 | 0.0170 | 0.0382 |
| Jan-27 | 2.1008 | 0.0161 | 0.0367 |
| Feb-27 | 2.1001 | 0.0153 | 0.0353 |
| Mar-27 | 2.0923 | 0.0144 | 0.0328 |
| Apr-27 | 2.0779 | 0.0137 | 0.0305 |
| May-27 | 2.0694 | 0.0125 | 0.0285 |
| Jun-27 | 2.0645 | 0.0116 | 0.0273 |

| Sprague HeatCurve October 2026-April 2027 | | \$2.0959 |
|---|-----------|-----------|
| | Close | Change |
| Crude - WTI | \$58.9400 | \$1.3000 |
| Crude - Brent | \$63.3400 | \$1.3500 |
| Natural Gas | \$3.1690 | -\$0.2380 |
| Gasoline | \$1.7806 | \$0.0203 |



February Heating Oil



Weather Forecast

