

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Monday traded higher as traders assessed the geopolitical risks from Iran, Venezuela and Russia driving the recent oil price volatility. The market weighed the concerns over Iran's oil exports during the Iranian government's crackdown of the largest anti-government demonstrations in years against expectations that supplies could increase from Venezuela. The crude market rallied to \$59.80 on the opening after U.S. President Donald Trump reiterated his threats to strike Iran if the Iranian government crackdown on protests turned violent. However, the market erased its gains and traded to a low of \$58.45 early in the morning as Iran's Foreign Minister said the country's security forces had full control of the country and was keeping communication open with the United States. The market was also assessing the possibility of Venezuela resuming its oil exports, with oil trading houses, Vitol and Trafigura starting talks with refiners in India and China for Venezuelan oil cargoes to be delivered in March. The market later retraced its earlier losses and rallied to a high of \$59.81 ahead of the close. The February WTI contract settled up 38 cents at \$59.50 and the March Brent contract settled up 53 cents at \$63.87. The product markets ended the session higher, with the heating oil market settling up 1.94 cents at \$2.1544 and the RB market settling up 1.32 cents at \$1.7938.

Technical Analysis: The crude market will remain supported amid the concerns that Iran's crude oil exports could fall as the Iranian government cracks down on the anti-government demonstrations after President Trump threatened possible military action over violence against protesters. The market will await for further developments as President Trump is scheduled to meet with senior advisers on Tuesday to discuss options for Iran. The market will also look to further developments regarding Venezuela's oil exports. The market will also look for further developments on the possibility of the U.S. imposing tariffs on countries buying sanctioned Russian oil after President Trump gave his approval for the U.S. Congress to approve a sanctions bill. The oil market is seen finding resistance at \$59.91, \$59.93, \$60.01, \$60.12, \$60.45, \$60.60, \$60.87, \$61.01 and \$61.12. Meanwhile, support is seen at \$58.45, \$58.32, \$57.83, \$57.61, \$57.35, \$55.97, \$55.76, \$55.08 and \$54.89.

Fundamental News: Shipping data intelligence firm Kpler said Iran has a record amount of oil on the water, equivalent to around 50 days of output, as China has bought less because of sanctions and Tehran seeks to protect its supplies from the risk of U.S. strikes. The amount of Iranian crude and condensate, either on tankers in transit or in floating storage vessels, reached a record high of 166 million barrels in the week ended January 11th.

The upcoming annual rebalancing of commodity indexes will lead to the purchase of oil contracts, a bullish factor for crude. Citigroup projects that the BCOM and S&P GSCI indexes, the two largest commodity indexes, will see inflows of \$2.2 billion in futures contracts this week to rebalance the indexes.

Vortexa reported today that crude oil stored on tankers that have been stationary for at least 7 days fell -0.3% w/w to 120.9 million bbl in the week ended January 9.

IIR Energy said U.S. oil refiners are expected to shut in about 724,000 bpd of capacity in the week ending January 16th, cutting available refining capacity by 450,000 bpd. Offline capacity is expected to increase to 1.1 million in the week ending January 23rd.

Early Market Call - as of 8:40 AM EDT

WTI - Feb \$60.65, up 81 cents

RBOB - Feb \$1.8127, up 94 points

HO - Feb \$2.1991, up 3.86 cents

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-26	2.1544	0.0194	0.0116
Mar-26	2.1483	0.0188	0.0193
Apr-26	2.1287	0.0180	0.0264
May-26	2.1138	0.0184	0.0323
Jun-26	2.1032	0.0189	0.0366
Jul-26	2.1015	0.0183	0.0359
Aug-26	2.1020	0.0175	0.0344
Sep-26	2.1058	0.0167	0.0325
Oct-26	2.1100	0.0157	0.0306
Nov-26	2.1119	0.0149	0.0293
Dec-26	2.1118	0.0140	0.0288
Jan-27	2.1141	0.0133	0.0273
Feb-27	2.1131	0.0130	0.0265
Mar-27	2.1049	0.0126	0.0246
Apr-27	2.0903	0.0124	0.0233
May-27	2.0816	0.0122	0.0223
Jun-27	2.0766	0.0121	0.0218

Sprague HeatCurve October 2026-April 2027

	Close	Change
Crude - WTI	Mar Brent-WTI Spread	\$59.3200
Crude - Brent		\$63.8700
Natural Gas	\$4.55	\$3.4090
Gasoline		\$1.7938

ICE March Brent-WTI Spread



February Heating Oil Crack Spread

