



MarketWatch | Refined Products

Wednesday, January 14, 2026

Market Commentary

Recap: The oil market extended its gains for the fourth consecutive day on Tuesday amid the geopolitical tension in Iran and concerns over the potential impact on the country's exports. Iran is currently facing its largest anti-government demonstrations in years and the Iranian government's crackdown against protesters has drawn a warning from U.S. President Donald Trump of possible military action. He told Iranians that help was on the way and on Monday announced that any country that does business with Iran will be subjected to a tariff rate of 25% on any business conducted with the United States. The crude market posted a low of \$59.47 in overnight trading before it continued on its upward trend. The market retraced more than 62% of its move from a high of \$64.97 to a low of \$54.89 as it rallied to a high of \$61.50 by mid-day. The market later erased some of its gains and traded sideways during the remainder of the session. The February WTI contract settled up \$1.65 at \$61.15 and the March Brent contract settled up \$1.60 at \$65.47. The product markets ended the session higher, with the heating oil market settling up 8.4 cents at \$2.2384 and the RB market settling up 3.27 cents at \$1.8265.

Technical Analysis: The crude market will remain driven by the latest news regarding the tension in Iran and any decision the U.S. makes amid the escalating protests against the Iranian government. The market will also look to further developments on the other geopolitical drivers, including the situation in Venezuela, talks on the Russia-Ukraine war, the drone attacks on oil tankers in the Black Sea and talks over Greenland. The oil market will likely remain supported by the latest weekly petroleum stocks reports, which are expected to show draws in crude stocks of about 1.7 million barrels. The crude market is seen finding resistance at \$61.50, \$61.75, \$61.94, \$62.28 followed by \$64.19 and \$64.97. Meanwhile, support is seen at \$59.47, \$59.31, \$58.63, \$58.45, \$57.95, \$57.61 followed by \$55.97 and \$55.76.

Fundamental News: In its Short Term Energy Outlook, the EIA forecast world oil demand in 2026 at 104.8 million bpd, down 400,000 bpd from a previous forecast of 105.2 million bpd and demand in 2027 is estimated to increase to 106.1 million bpd. It forecast 2026 U.S. oil demand at 20.6 million bpd, unchanged from a previous forecast and expects demand to increase by 100,000 bpd to 20.7 million bpd in 2027. The EIA sees 2026 world oil output of 107.7 million bpd, up 300,000 bpd from a previous estimate, and sees 2027 output in 2027 at 108.2 million bpd. The EIA reported that U.S. crude oil production will fall in 2026 and 2027 after reaching a record high in 2025. It projected crude production would fall to 13.59 million bpd in 2026 and 13.25 million bpd in 2027, down from a record 13.61 million bpd in 2025. It said lower oil prices are expected to cut U.S. drilling activity and reduce output 1% this year, while potentially higher output from Venezuela could add pressure. The EIA forecast the average price of WTI in 2026 at \$52.21/barrel, down 21 cents from a previous estimate, while the price of 2027 is expected to fall to \$50.36/barrel. The price of Brent crude is forecast to average \$55.87/barrel in 2026 and \$54.02/barrel in 2027.

According to monitoring service Tankertrackers.com and shipping records from PDVSA, at least two supertankers, not under sanctions, were departing Venezuelan waters on Monday carrying crude. The Panama-flagged very large crude carriers Kelly and Marbella, controlled by PDVSA as part of its ships under lease, set sail from PDVSA's Amuay anchorage area on Venezuela's western coast. They are carrying about 1.8 million barrels each of Venezuelan Merey heavy crude. Their intended destinations and whether the cargoes were part of the flagship supply deal announced by Trump were not immediately clear.

Venezuela's PDVSA has started reopening some of the wells it and its joint venture partners had shut amid a strict U.S. embargo, as crude exports resume with two shipments departed on Monday. The country's overall crude output fell to some 880,000 bpd last week from 1.16 million bpd in late November, with its main oil region, the Orinoco Belt, seeing a drastic reduction to some 410,000 bpd compared with 675,000 bpd in late November.

Early Market Call - as of 8:55 AM EDT

WTI - Feb \$61.58, up 48 cents

RBOB - Feb \$1.8309, up 67 points

HO - Feb \$2.2371, up 26 points

All NYMEX | Prior Settlements

| | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Feb-26 | \$2.2384 | \$0.0840 | \$0.1554 |
| Mar-26 | \$2.2269 | \$0.0786 | \$0.1489 |
| Apr-26 | \$2.2004 | \$0.0717 | \$0.1432 |
| May-26 | \$2.1787 | \$0.0649 | \$0.1387 |
| Jun-26 | \$2.1618 | \$0.0586 | \$0.1333 |
| Jul-26 | \$2.1564 | \$0.0549 | \$0.1267 |
| Aug-26 | \$2.1540 | \$0.0520 | \$0.1209 |
| Sep-26 | \$2.1561 | \$0.0503 | \$0.1163 |
| Oct-26 | \$2.1588 | \$0.0488 | \$0.1120 |
| Nov-26 | \$2.1590 | \$0.0471 | \$0.1079 |
| Dec-26 | \$2.1570 | \$0.0452 | \$0.1043 |
| Jan-27 | \$2.1580 | \$0.0439 | \$0.1009 |
| Feb-27 | \$2.1551 | \$0.0420 | \$0.0974 |
| Mar-27 | \$2.1444 | \$0.0395 | \$0.0928 |
| Apr-27 | \$2.1266 | \$0.0363 | \$0.0880 |
| May-27 | \$2.1155 | \$0.0339 | \$0.0842 |
| Jun-27 | \$2.1081 | \$0.0315 | \$0.0811 |

Sprague HeatCurve October 2026-April 2027

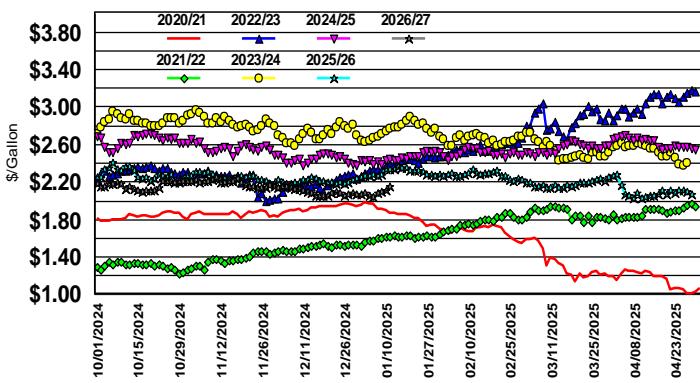
| | Close | Change |
|---------------|-----------------------|-----------|
| Crude - WTI | Mar Brent- WTI Spread | \$60.9300 |
| Crude - Brent | | \$65.4700 |
| Natural Gas | \$4.54 | \$3.4190 |
| Gasoline | | \$1.8265 |

API Report for the Week Ending January 9, 2025

| | Actual | Mkt Expectations |
|---------------------------|-------------------------|------------------------|
| Crude Oil Stocks(exl SPR) | Up 5.23 million barrels | Up 2.3 million barrels |
| Gasoline Stocks | Up 8.23 million barrels | Up 3.2 million barrels |
| Distillate Stocks | Up 4.34 million barrels | Up 670,000 barrels |
| Refinery Runs | | Down 0.2%, at 94.5% |

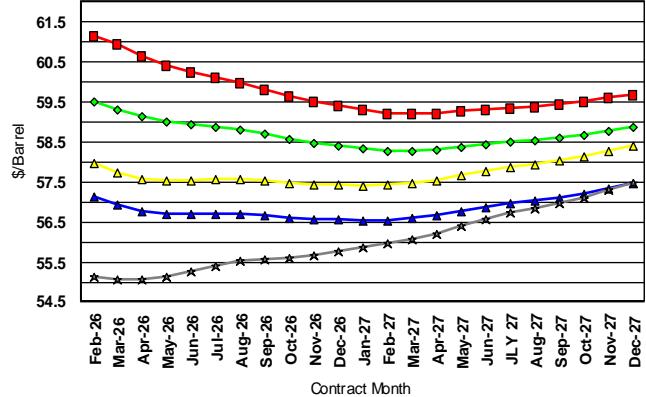
Sprague HeatCurve

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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