

Market Commentary

Recap: The oil market on Thursday extended Wednesday's late sell off after the U.S. was seen adopting a wait and see posture after previously threatening intervention in Iran for the Iranian government's crackdown on protests. U.S. President Donald Trump said that the killings of demonstrators during protests in Iran were ending, easing concerns over potential military action against Iran and oil supply disruptions. The market's risk premium was further reduced as the security warning level at the U.S. Al Udeid air base in Qatar was lowered following a heightened alert triggered on Wednesday. The crude market traded sideways in overnight trading, posting a high of \$61.14 before it continued to retrace its previous gains. The market retraced more than 50% of its move from a low of \$55.76 to a high of \$62.36 as it sold off to a low of \$58.88 by mid-morning. It later settled in a sideways trading range during the remainder of the session. The February WTI contract settled down \$2.83 at \$59.19 and the March Brent contract settled down \$2.76 at \$63.76. The product markets ended the session lower, with the heating oil market settling down 7.36 cents at \$2.2083 and the RB market settling down 4.66 cents at \$1.7838.

Technical Analysis: The crude market will continue to look to the developments in Iran amid the Trump administration's wait and see stance. While protests in Iran appear to have abated and the threat of a potential U.S. military operation has eased after Saudi Arabia, Qatar, Oman and Egypt conducted diplomacy with the U.S. and Iran, the risk premium has not completely dissipated and could quickly escalate once again. The market will also look to the other geopolitical risks regarding Venezuela and the Russian war in Ukraine. The oil market is seen finding support at \$58.88, \$58.45, \$58.28, \$57.61 followed by \$55.97 and \$55.76. Meanwhile, resistance is seen at \$60.21, \$60.62, \$61.03, \$61.14, \$62.36, followed by \$64.19 and \$64.97.

Fundamental News: The Trump administration issued new Iran-related sanctions that target what appeared to be shipping, trading and energy companies.

Goldman Sachs lowered its 2027 Brent oil price forecast to \$58/barrel from \$63/barrel to reflect likely higher supply in the U.S., Venezuela and Russia.

The United States has seized another Venezuela-linked tanker, ahead of a meeting between U.S. President Donald Trump and Venezuelan opposition leader Maria Corina Machado. The seizure marks the sixth vessel targeted in recent weeks that was either carrying Venezuelan oil or had done so in the past. U.S. officials said the seizure took place in the Caribbean.

Venezuelan opposition leader Maria Corina Machado said that her meeting with U.S. President Donald Trump at the White House went very well and was "great."

In a Bloomberg interview, Harold Hamm, founder and chairman of Continental Resources, said oil companies need guarantees that their assets will not someday be seized by Venezuela if they help revive the country's oil production. He said there is a lot of geopolitical risk in Venezuela.

The Environmental Protection Agency reported that the U.S. generated more renewable blending credits in December than November. About 1.32 billion ethanol (D6) blending credits were generated in December, compared with about 1.14 billion in November. Credits generated from biodiesel (D4) blending increased to 670 million in December from 613 million in November.

Early Market Call - as of 8:40 AM EDT

WTI - Feb \$59.86, up 58 cents
RBOB - Feb \$1.7874, up 12 points
HO - Feb \$2.2413, up 3.4 cents

All NYMEX | Prior Settlements

| | ULSD (HO) Close | Prior Settle Change | Change In One Week |
|--------|-----------------|---------------------|--------------------|
| Jan-26 | 2.2083 | -0.0736 | 0.0888 |
| Feb-26 | 2.1957 | -0.0741 | 0.0843 |
| Mar-26 | 2.1690 | -0.0730 | 0.0794 |
| Apr-26 | 2.1479 | -0.0712 | 0.0743 |
| May-26 | 2.1317 | -0.0687 | 0.0687 |
| Jun-26 | 2.1268 | -0.0664 | 0.0638 |
| Jul-26 | 2.1257 | -0.0639 | 0.0607 |
| Aug-26 | 2.1288 | -0.0622 | 0.0585 |
| Sep-26 | 2.1322 | -0.0610 | 0.0561 |
| Oct-26 | 2.1324 | -0.0604 | 0.0529 |
| Nov-26 | 2.1296 | -0.0604 | 0.0488 |
| Dec-26 | 2.1301 | -0.0603 | 0.0454 |
| Jan-27 | 2.1273 | -0.0600 | 0.0425 |
| Feb-27 | 2.1179 | -0.0586 | 0.0400 |
| Mar-27 | 2.1021 | -0.0567 | 0.0379 |
| Apr-27 | 2.0929 | -0.0548 | 0.0360 |
| May-27 | 2.0870 | -0.0531 | 0.0341 |

Sprague HeatCurve October 2026-April 2027

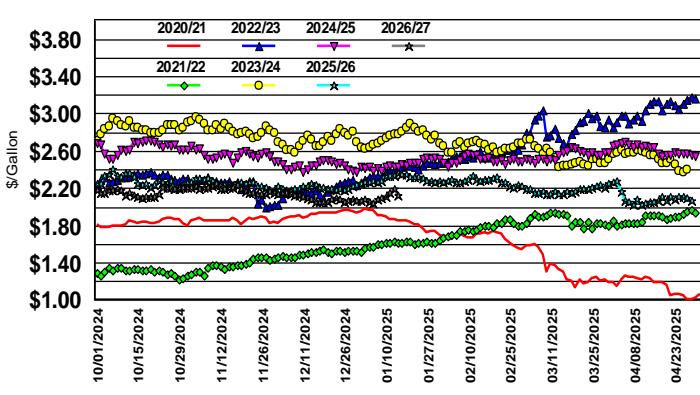
| | Close | Change |
|---------------|-----------------------|---------------------|
| Crude - WTI | Mar Brent- WTI Spread | \$59.0800 -\$2.8000 |
| Crude - Brent | | \$63.7600 -\$2.7600 |
| Natural Gas | | \$3.1280 \$0.0080 |
| Gasoline | | \$1.7838 -\$0.0466 |

EIA Working Gas Storage Report

| | 09-Jan-26 | 02-Jan-26 | Change | 09-Jan-25 |
|---------------|-----------|-----------|--------|-----------|
| East | 664 | 697 | -33 | 679 |
| Midwest | 790 | 821 | -31 | 818 |
| Mountain | 251 | 256 | -5 | 242 |
| Pacific | 302 | 304 | -2 | 284 |
| South Central | 1178 | 1178 | 0 | 1,127 |
| Salt | 355 | 343 | 12 | 331 |
| Nonsalt | 823 | 835 | -12 | 796 |
| Total | 3185 | 3256 | -71 | 3,152 |

Sprague HeatCurve

Sprague HeatCurve October-April



Weather Outlook

