MarketWatch | Refined Products

Tuesday, January 20, 2026

Market Commentary

Recap: The crude market posted an inside trading day on Friday, ahead of a long holiday weekend, following its recent sell off. While the geopolitical tensions in the Middle East may have eased with President Donald Trump's statements, they have not completely disappeared amid the Trump administration's wait and see posture in regards to the situation in Iran. The oil market held its support at its previous low amid worries about a possible blockade of the Strait of Hormuz by Iran in the event of an escalation. The market posted a low of $58.94 in overnight trading before it bounced off that level and traded back over the $60.00 level and posted a high of $60.18. The market later settled in a sideways trading range during the remainder of the session. The February WTI contract settled up 25 cents at $59.44 and the March Brent contract settled up 37 cents at $64.13. The product markets ended the session higher, with the heating oil market settling up 2.93 cents at $2.2376 and the RB market settling up 14 points at $1.7852.

Technical Analysis: The oil market will remain in its recent trading range, barring any major developments over the long Martin Luther King, Jr. holiday. The market will look to the news regarding the situation in Iran. Any escalation in tensions will push the market back to its recent highs. The market will also remain driven by any news regarding the geopolitical risks regarding Venezuela and the Russian war in Ukraine. The crude market is seen finding support at $58.94, $58.88, $58.45, $58.28 followed by $57.61, $55.97 and $55.76. Meanwhile, resistance is seen at $60.18, $60.21, $61.14, $60.62, $61.03, $61.14, $62.36, followed by $64.19 and $64.97.

Fundamental News: According to a rights group and residents, Iran's crackdown appears to have broadly quelled protests for now, as state media reported more arrests on Friday in the shadow of repeated U.S. threats to intervene if the killing continues. Fears of a U.S. attack have retreated since Wednesday, when U.S. President Donald Trump said he'd been told killings in Iran were easing. U.S. allies, including Saudi Arabia and Qatar, conducted intense diplomacy with Washington this week to prevent a U.S. strike, warning of repercussions for the wider region that would ultimately impact the United States. On Thursday, the White House said that President Trump and his team have warned Tehran there would be "grave consequences" if there was further bloodshed. A U.S. official said the United States is expected to send additional offensive and defensive capabilities to the region, but the exact make -up of those forces and the timing of their arrival is unclear.

The Kremlin said Russian President Vladimir Putin discussed the situation in Iran in separate calls on Friday with Israeli Prime Minister Benjamin Netanyahu and Iranian President Masoud Pezeshkian, and said that Moscow was willing to mediate in the region.

The Kremlin hailed what it said looked like the desire of Italy, France and Germany to resume dialogue on Ukraine with Russia as a "significant shift" which matched its own view of how the situation should evolve.

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.

Bloomberg reported that Harold Hamm, founder and chair of Continental Resources, said he will shut down drilling in North Dakota's Bakken for the first time in decades because of low crude prices.

Early Market Call - as of 8:35 AM EDT

WTI - Feb $59.97, up 67 cents

RBOB - Feb $1.7970, up 1.39 cents

HO - Feb $2.3010, up 6.91 cents

All NYMEX | Prior Settlements

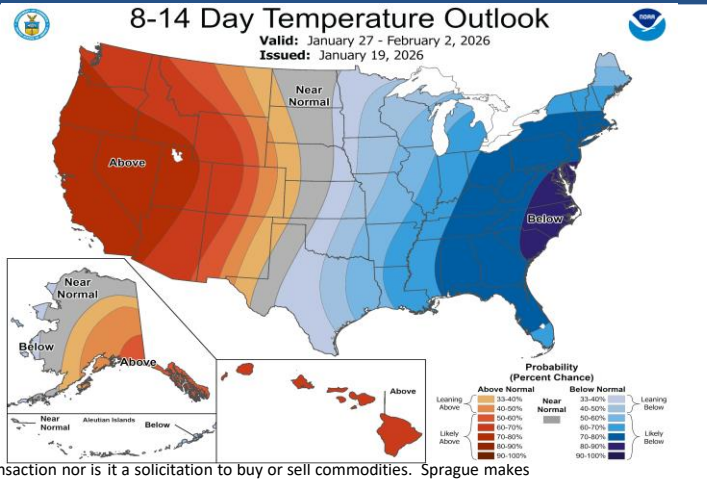
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-26	2.2376	0.0293	0.1026
Mar-26	2.2224	0.0267	0.0929
Apr-26	2.1914	0.0224	0.0807
May-26	2.1650	0.0171	0.0696
Jun-26	2.1455	0.0138	0.0612
Jul-26	2.1383	0.0115	0.0551
Aug-26	2.1355	0.0098	0.0510
Sep-26	2.1381	0.0093	0.0490
Oct-26	2.1412	0.0090	0.0469
Nov-26	2.1412	0.0088	0.0442
Dec-26	2.1382	0.0086	0.0404
Jan-27	2.1388	0.0087	0.0380
Feb-27	2.1361	0.0088	0.0360
Mar-27	2.1265	0.0086	0.0342
Apr-27	2.1105	0.0084	0.0326
May-27	2.1009	0.0080	0.0315
Jun-27	2.0952	0.0082	0.0307
Sprague HeatCurve October 2026-April 2027			**$2.1342**

		Close	Change
Crude - WTI	**Mar Brent-WTI Spread $4.79**	$59.3400	$0.2600
Crude - Brent		$64.1300	$0.3700
Natural Gas		$3.1030	-$0.0250
Gasoline		$1.7852	$0.0014

February WTI

February Heating Oil

Weather Outlook



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