

Market Commentary

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Recap: The crude market rallied higher on Friday after U.S. President Donald Trump increased pressure on Iran once again through more sanctions on vessels that transport its oil and his announcement late Thursday that an "armada" was heading towards Iran. The oil market posted a low of \$59.52 on the opening before it continued on its upward trend throughout the session. The market retraced more than 62% of its move from a high of \$62.20 to a low of \$58.53 as it rallied to a high of \$61.26 by mid-morning. The market later erased some of its gains and settled in a sideways trading range during the remainder of the session. The March WTI contract settled up \$1.71 at \$61.07 and the March Brent contract settled up \$1.82 at \$65.88. The product markets ended higher, with the heating oil market settling up 6.17 cents at \$2.4285 and the RB market settling up 3.38 cents at \$1.8510.

Technical Analysis: The oil market will be driven by the latest headlines following President Donald Trump's renewed warning to Iran against killing protesters or restarting its nuclear program. The escalating tension has caused concerns of supply disruptions, while Kazakhstan has been struggling to resume output from one of the world's largest oilfields. The market will also look to further developments regarding the meeting between Ukraine and Russia currently underway in the UAE and is expected to continue on Saturday. The market will be underpinned by freeze-offs caused by the frigid temperatures covering much of the country, with estimates of potential output cuts of 300,000 bpd. The crude market is seen finding resistance at \$61.26, \$62.20 followed by \$63.96 and \$64.75. Meanwhile, support is seen at \$59.52, \$58.96, \$58.53, \$58.32, \$57.65, \$57.48 followed by \$55.89 and \$55.65.

Fundamental News: Late Thursday, U.S. President Donald Trump said that the United States has an "armada" heading toward Iran but hoped he would not have to use it, as he renewed warnings to Tehran against killing protesters or restarting its nuclear program.

According to the U.S. Treasury Department, the Trump administration issued a new round of Iran-related sanctions on Friday, targeting nine tankers and eight entities.

Iranian news agencies reported that Mohammad Javad Haj Ali Akbari, an influential Iranian cleric, warned on Friday that Iran may target U.S.-linked investments in the region in retaliation for any U.S. attack on the Islamic Republic.

Ukrainian and Russian negotiators met in Abu Dhabi on Friday to tackle the vital issue of territory, with no sign of a compromise, as Russian attacks plunged Ukraine into its deepest energy crisis of the four-year war. Ukrainian President, Volodymyr Zelenskiy, said the territorial dispute would be a top priority of the talks in the United Arab Emirates. Zelenskiy's aide said the negotiations in the Gulf are expected to continue on Saturday morning. On Friday, Kremlin spokesman, Dmitry Peskov, said that Russia's insistence on Ukraine yielding the Donbas was "a very important condition".

Energy Aspects reported that U.S. crude output is set to fall as cold weather pushes operators to shut in production in key-producing basins, potentially leading to a total loss of around 300,000 bpd.

Justin Kringstad, Director of North Dakota Pipeline Authority, said North Dakota's crude output is currently down by 80,000 bpd to 110,000 bpd as operators shut in production due to cold weather. The state's well-head associated gas output was down by 0.24 billion cubic feet per day to 0.33 bcfd.

IIR Energy said U.S. oil refiners are expected to shut in about 1.11 million bpd of capacity in the week ending January 23rd, cutting available refining capacity by 255,000 bpd.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for the first time in three weeks. The oil and gas rig count increased by 1 to 544 in the week ending January 23rd. Baker Hughes said oil rigs increased by 1 to 411 this week, while gas rigs were unchanged at 122.

Early Market Call - as of 8:40 AM EDT

WTI - Mar \$60.73, down 55 cents

RBOB - Feb \$1.8216, down 3.08 cents

HO - Feb \$2.4922, up 3.48 cents

February Heating Oil



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	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-26	2.4285	0.0617	0.1909
Mar-26	2.3406	0.0421	0.1182
Apr-26	2.2742	0.0358	0.0828
May-26	2.2339	0.0335	0.0689
Jun-26	2.2049	0.0320	0.0594
Jul-26	2.1923	0.0301	0.0540
Aug-26	2.1865	0.0283	0.0510
Sep-26	2.1884	0.0272	0.0503
Oct-26	2.1921	0.0265	0.0509
Nov-26	2.1925	0.0259	0.0513
Dec-26	2.1893	0.0251	0.0511
Jan-27	2.1894	0.0244	0.0506
Feb-27	2.1863	0.0242	0.0502
Mar-27	2.1750	0.0234	0.0485
Apr-27	2.1567	0.0226	0.0462
May-27	2.1463	0.0220	0.0454
Jun-27	2.1390	0.0215	0.0438

Sprague HeatCurve October 2026-April 2027

	Close	Change
Crude - WTI	Mar Brent- WTI Spread	\$61.0700
Crude - Brent		\$1.7100
Natural Gas	\$65.8800	\$1.8200
Gasoline	\$4.81	\$0.2300
	\$5.2750	\$0.0338
	\$1.8510	

March WTI



Weather Forecast

8-14 Day Temperature Outlook

Valid: January 31 - February 6, 2026

Issued: January 23, 2026

