



MarketWatch | Refined Products

Wednesday, January 28, 2026

Market Commentary

Recap: The crude market posted an outside trading session on Tuesday as the market weighed a loss of U.S. oil production after a severe winter storm swept across the country and geopolitical risks against a resumption of supply from Kazakhstan. The market breached its previous low and sold off to a low of \$60.14 in overnight trading amid the expectations that Kazakhstan will resume production from its largest oilfield, Tengiz, and the CPC, which operates Kazakhstan's main exporting pipeline, also said it returned to full loading capacity at its terminal on the Russian Black Sea coast following the completion of maintenance of one of its three mooring points. However, the market's losses were limited by the loss of oil output in the U.S. due to the winter storm over the weekend. Also, on the geopolitical front, two U.S. officials said a U.S. aircraft carrier and supporting warships arrived in the Middle East, expanding the U.S. capabilities to defend U.S. forces or potentially take military action against Iran. The crude market rallied to a high of \$62.37 ahead of the close. The March WTI contract settled up \$1.76 at \$62.39 and posted a new high of \$62.58 in the post settlement period. Meanwhile, the March Brent contract settled up \$1.98 at \$67.57. The product markets also ended the session sharply higher, with the heating oil market settling up 7.82 cents at \$2.6462 and the RB market settling up 4.51 cents at \$1.8652.

Technical Analysis: While the market may retrace some of Tuesday's sharp gains on Wednesday in light of the expected builds in the weekly petroleum stocks reports, with builds of 3.6 million barrels in crude stocks, its losses will be limited. The market will weigh the uncertainty over how the Trump administration will handle Iran amid the news of the arrival of a U.S. aircraft carrier and warships in the Middle East and the continuing Russian war in Ukraine. The crude market is seen finding resistance at \$62.58, followed by \$63.96 and \$64.75. Meanwhile, support is seen at \$60.14, \$59.62, \$59.52, \$58.96, \$58.71, \$58.53, \$58.32, \$57.80, \$57.48 followed by \$55.89 and \$55.65.

Fundamental News: Vortexa said exports of crude oil and liquefied natural gas from U.S. Gulf Coast ports fell to zero on Sunday, after a winter storm swept across the country. According to some analyst forecasts, up to 2 million bpd of oil production went offline over the weekend due to the frigid weather. Exports of liquefied petroleum gas, such as propane and butane, were down to about a third of seasonal norms due to the storm. Exports rebounded on Monday with flows coming in above seasonal norms, as ports reopened.

Abu Dhabi National Oil Company's Managing Director and CEO, Sultan Ahmed Al Jaber, said global oil demand will remain above 100 million bpd through 2040, while demand for both liquefied natural gas and electricity will increase by 50% or more. He said that electricity demand will be driven by the need to power cooling systems as well as AI infrastructure and data centers.

Reuters reported that China's storage flows surge in December, resulting in a surplus of more than 1 million bpd for 2025. China's surplus of crude oil increased to 2.67 million bpd in December, up from 1.88 million bpd in November and the most since the 2.27 million bpd seen in June 2020. According to calculations based on official data, for 2025 the volume of surplus crude was 1.13 million bpd, largely steady from the 1.15 million bpd seen in 2024. December's crude imports increased to a record 13.18 million bpd, up 17% from the same month in 2024, with the strong arrivals taking imports for the full year to 11.55 million bpd, another all-time record and up 4.4% from the prior year.

Sources stated that U.S. officials are working to issue a general license soon that would lift some sanctions on Venezuela's energy sector, a shift from a previous plan to grant individual exemptions to sanctions for companies seeking to do business in the country.

Early Market Call - as of 8:40 AM EDT

WTI - Mar \$63.11, up 54 cents

RBOB - Feb \$1.8854, up 90 points

HO - Feb \$2.6620, up 2.47 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-26	\$2.6462	\$0.0782	\$0.3077
Mar-26	\$2.4106	\$0.0617	\$0.1129
Apr-26	\$2.3142	\$0.0472	\$0.0653
May-26	\$2.2646	\$0.0401	\$0.0500
Jun-26	\$2.2292	\$0.0342	\$0.0401
Jul-26	\$2.2136	\$0.0307	\$0.0357
Aug-26	\$2.2073	\$0.0289	\$0.0349
Sep-26	\$2.2099	\$0.0278	\$0.0360
Oct-26	\$2.2140	\$0.0271	\$0.0374
Nov-26	\$2.2142	\$0.0263	\$0.0383
Dec-26	\$2.2107	\$0.0259	\$0.0389
Jan-27	\$2.2102	\$0.0257	\$0.0387
Feb-27	\$2.2061	\$0.0248	\$0.0382
Mar-27	\$2.1936	\$0.0238	\$0.0365
Apr-27	\$2.1741	\$0.0222	\$0.0343
May-27	\$2.1627	\$0.0209	\$0.0325
Jun-27	\$2.1546	\$0.0196	\$0.0311

Sprague HeatCurve October 2026-April 2027

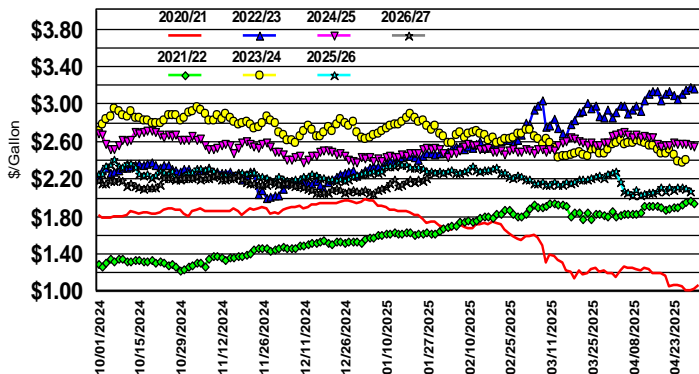
	Close	Change
Crude - WTI	\$62.3900	\$1.7600
Crude - Brent	\$67.5700	\$1.9800
Natural Gas	\$6.9540	\$0.1540
Gasoline	\$1.8652	\$0.0451

API Report for the Week Ending January 23, 2025

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 247,000 barrels	Up 3.6 million barrels
Gasoline Stocks	Down 415,000 barrels	Up 2.5 million barrels
Distillate Stocks	Up 2.01 million barrels	Down 600,000 barrels
Refinery Runs		Down 0.5%, at 92.8%

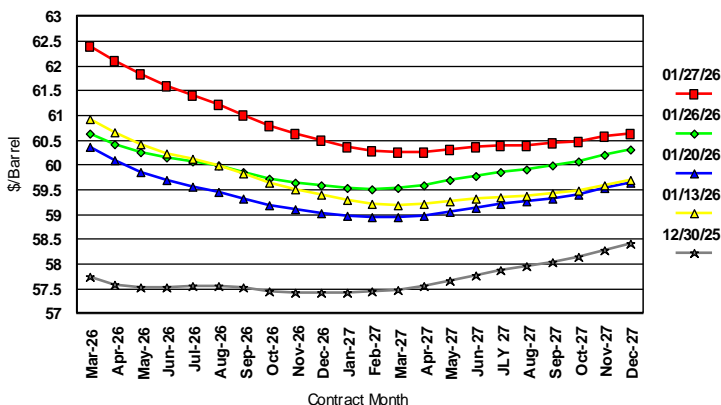
Sprague HeatCurve

Sprague HeatCurve October-April



WTI Forward Curve

NYMEX WTI Forward Curve



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