

Market Commentary

Recap: The crude market on Thursday posted an outside trading day as the market weighed the EIA report released on Wednesday showing U.S. crude oil inventories increasing by 16 million barrels on the week, the most in three years, while the market also assess whether the U.S.-Iran talks could avert a military conflict. The crude market traded mostly sideways in overnight trading before it breached its previous low and extended its losses to over \$1.80. It posted a low of \$63.60 in light of the surge in oil inventories as well as the news that Saudi Arabia is increasing its crude production and exports under a contingency plan should any U.S. strike on Iran disrupt supplies from the Middle East. However, the market reversed course and rallied over \$1.20 as it posted a high of \$66.71 by mid-day on reports that the U.S.-Iran talks had stalled over Washington's insistence of zero uranium enrichment by Iran. The market later erased some of its gains ahead of the close after Oman's Foreign Minister stated that there was significant progress made during the U.S.-Iran talks. This was despite Axios reporting that the White House envoys were disappointed following their talks on Thursday morning. The April WTI contract settled down 21 cents at \$65.21 and the April Brent settled down 10 cents at \$70.75. The product markets ended the session in mixed territory once again, with the heating oil market settling down 6.15 cents at \$2.6125 and the RB market settling up 4.09 cents at \$2.0323.

Technical Analysis: The oil market will remain headline driven, with the U.S.-Iran talks remaining the focal point. Any signs of breakdowns in talks will raise concerns of Middle East supply disruptions. The market will await President Donald Trump's comments following consultations with the U.S. envoys, ahead of technical discussions between the U.S. and Iran expected next week in Vienna. The crude market is seen finding resistance at \$66.71, \$67.15, \$67.28, \$67.74, \$69.58, \$70.41 and \$70.51. Meanwhile, support is seen at \$64.77, \$64.00, \$63.60, \$63.22, \$62.04 and \$61.76.

Fundamental News: LSEG data showed that the cost of hiring a very large crude carrier to ship 2 million barrels from the Middle East to China exceeded \$200,000 a day on Thursday for the first time since April 2020. It has nearly quadrupled from the start of the year. The surge in oil shipping costs follows increased crude exports from the Middle East as traders have accelerated charters ahead of a possible military conflict between the U.S. and Iran.

According to sources, the Trump administration has settled on a plan that would require big oil refineries to make up for at least half of the biofuel blending volumes obligations waived in recent years under the Small Refinery Exemption program. The decision could be unwelcome news for larger oil refiners that have argued that additional blending obligations would raise their costs. However, it could help the biofuel industry by increasing demand for blending credits. Under the Renewable Fuel Standard, oil refineries have to blend billions of gallons of ethanol and other biofuels into their fuel or buy credits, called RINs, from those that do. However, small refineries can have those obligations waived if they demonstrate economic hardship. The question of whether to reallocate those exempted blending obligations to larger refiners is a point of contention between the agriculture and fuel industries.

Citgo reported a planned startup of a fluid catalytic cracking unit following maintenance activity at its 165,000 bpd Corpus Christi, Texas refinery East plant.

A Texas Commission on Environmental Quality filing showed that Valero's 205,000 bpd Houston refinery reported a third-party power interruption on Wednesday morning caused a loss of power to the plant. The outage led to emissions from the main refinery flare 30FL1. Refinery personnel followed established procedures to safely stabilize affected units and limit emissions.

Early Market Call - as of 8:25 AM EDT

WTI - Mar \$67.61, up \$2.14
 RBOB - Mar \$2.0575, up 1.95 cents
 HO - Mar \$2.7050, up 7.25 cents

All NYMEX | Prior Settlements

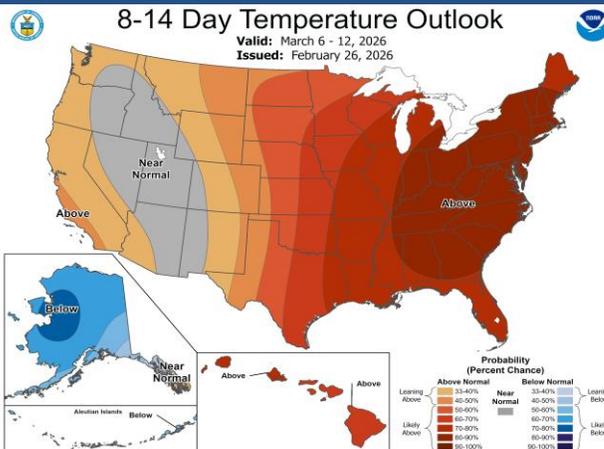
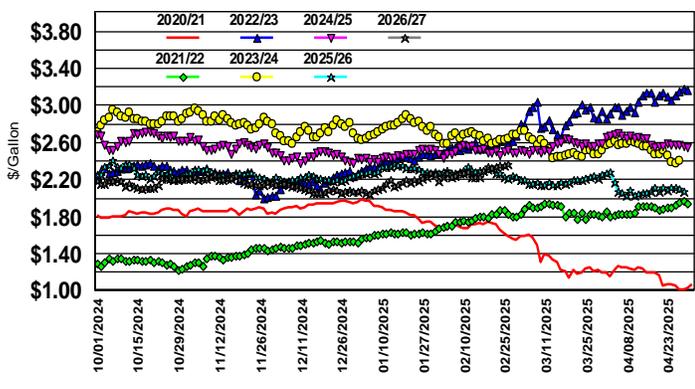
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-26	2.6125	-0.0615	-0.0022
Apr-26	2.5258	-0.0051	0.0182
May-26	2.4687	0.0039	0.0188
Jun-26	2.4291	0.0065	0.0187
Jul-26	2.4086	0.0068	0.0198
Aug-26	2.3948	0.0059	0.0208
Sep-26	2.3895	0.0044	0.0217
Oct-26	2.3865	0.0031	0.0229
Nov-26	2.3795	0.0028	0.0244
Dec-26	2.3682	0.0036	0.0261
Jan-27	2.3604	0.0043	0.0276
Feb-27	2.3478	0.0049	0.0288
Mar-27	2.3268	0.0052	0.0291
Apr-27	2.2990	0.0058	0.0299
May-27	2.2789	0.0067	0.0308
Jun-27	2.2628	0.0076	0.0314
Jul-27	2.2569	0.0075	0.0315

Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$5.54	\$65.2100	-\$0.2100
Crude - Brent		\$70.7500	-\$0.1000
Natural Gas		\$2.8270	-\$0.1420
Gasoline		\$2.0323	\$0.0409

EIA Working Gas Storage Report

	20-Feb-26	13-Feb-26	Change	20-Feb-25
East	364	388	-24	370
Midwest	441	457	-16	434
Mountain	201	207	-6	170
Pacific	259	271	-12	199
South Central	753	747	6	704
Salt	179	168	11	167
Nonsalt	573	579	-6	536
Total	2018	2070	-52	1,877

Sprague HeatCurve October-April



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