

Market Commentary

Recap: The oil market posted an inside trading day on Friday amid the uncertainty of how the U.S. will proceed in regards to Iran. While both the U.S. and Iran signaled willingness to engage in talks, Iran stated that its defense capabilities should not be included in any talks. The crude market erased some of Thursday's sharp gains in overnight trading and posted a low of \$63.64 after President Trump said the U.S. may engage in talks with Iran. However, the market bounced off its low and rallied higher to a high of \$66.11 by mid-day, amid the uncertainty in the market. The market later erased some of its gains during the remainder of the session. The March WTI contract settled down 21 cents at \$65.21 and the March Brent contract settled down 2 cents at \$70.69. The product markets ended the session higher, with the February heating oil contract expiring up 15.02 cents at \$2.7356 market and the February RB contract expiring up 28 points at \$1.9228.

Technical Analysis: The crude market will remain headline driven as it remains in a wait and see mode amid the uncertainty on the Trump administration's next move in regards with Iran. While it has signaled the willingness to hold talks to Iran, it will have to be seen whether Iran will agree to President Trump's demand regarding Iran's nuclear program. The market will also focus on the OPEC+ meeting scheduled for Sunday, when the member countries are expected to maintain their current pause in output increases for March. The oil market is seen finding resistance at \$66.11, \$66.48, \$66.75, \$67.74, \$69.58, \$70.41, \$70.51 followed by more distant resistance at \$78.40. Meanwhile, support is seen at \$63.64, \$63.28, \$62.07, \$62.03, \$60.66, \$60.14, \$59.52 and \$59.29.

Fundamental News: The U.S. Treasury Department said the U.S. issued new Iran and counter terrorism-related sanctions, targeting seven Iranian nationals and at least one entity.

Israel's Ynet news website reported that a U.S. military destroyer has docked in the port of Eilat, as tension between Washington and Iran heighten. The news website said the destroyer's arrival at the southern port, on the Gulf of Aqaba and near Israel's southern border crossings with Egypt and Jordan, was pre-planned and part of cooperation between the Israeli and U.S. militaries.

U.S. President Donald Trump said he believes a deal is close to end Russia's war against Ukraine.

Baker Hughes reported that U.S. energy firms this week added oil and natural gas rigs for a second consecutive week for the first time since December. The oil and gas rig count increased by two to 546 in the week ending January 30th, its highest level since December. Baker Hughes said oil rigs held steady at 411 this week, while gas rigs increased by three to 125, their highest level since December.

Five OPEC+ delegates said OPEC+ is likely to keep its pause on oil output increases for March when it meets on Sunday, even as crude climbs above \$70/barrel on concern the U.S. could launch a military strike on OPEC member Iran.

Bloomberg reported that the Trump administration issued a general license expanding the ability of oil companies operating in Venezuela, marking a significant step to ease sanctions under the new U.S. backed leadership in Venezuela.

IIR Energy said U.S. oil refiners are expected to shut in about 1.30 million bpd of capacity in the week ending January 30th, cutting available refining capacity by 188,000 bpd.

Early Market Call - as of 8:50 AM EDT

WTI - Mar \$61.97, down \$3.77

RBOB - Mar \$1.8633, down 8.44 cents

HO - Mar \$2.3847, down 16.13 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-26	2.7356	0.1502	0.3071
Mar-26	2.5330	0.0492	0.1924
Apr-26	2.4196	0.0171	0.1454
May-26	2.3581	0.0059	0.1242
Jun-26	2.3141	0.0006	0.1092
Jul-26	2.2936	-0.0014	0.1013
Aug-26	2.2814	-0.0031	0.0949
Sep-26	2.2783	-0.0040	0.0899
Oct-26	2.2770	-0.0049	0.0849
Nov-26	2.2711	-0.0064	0.0786
Dec-26	2.2615	-0.0081	0.0722
Jan-27	2.2557	-0.0097	0.0663
Feb-27	2.2468	-0.0112	0.0605
Mar-27	2.2303	-0.0124	0.0553
Apr-27	2.2070	-0.0125	0.0503
May-27	2.1914	-0.0132	0.0451
Jun-27	2.1797	-0.0141	0.0407

Sprague HeatCurve October 2026-April 2027

	Close	Change
Crude - WTI	\$65.2100	-\$0.2100
Crude - Brent	\$70.6900	-\$0.0200
Natural Gas	\$4.3540	\$0.4360
Gasoline	\$1.9228	\$0.0028

March WTI

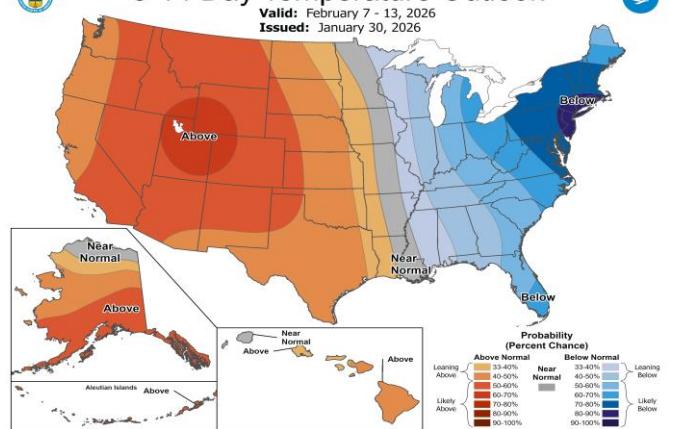


March Heating Oil



Weather Forecast

8-14 Day Temperature Outlook



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