

Market Commentary

Recap: The crude market on Monday sold off sharply as geopolitical tensions between the U.S. and Iran appeared to ease. Over the weekend, U.S. President Donald Trump said Iran was "seriously talking" with Washington, signaling a de-escalation of tensions, while a stronger dollar and milder weather forecasts also pressured the oil complex. The market opened at its high of \$64.74 and sold off sharply amid the news that arrangement for negotiations between Iran and the U.S. were underway. U.S. and Iranian officials are expected to meet on Friday to discuss a possible nuclear deal. The oil market extended its losses to over \$3.80 as it posted a low of \$61.39 in overnight trading. The market later settled in a sideways trading range during the remainder of the session. The March WTI contract settled down \$3.07 at \$62.14 and the April Brent contract settled down \$3.02 at \$66.30. The product markets ended the session sharply lower, with the heating oil market settling down 17.32 cents at \$2.3598 amid a change in the 8-15 day weather forecast calling for near normal to above normal temperatures for most of the country. The RB market settled down 9.08 cents at \$1.8514.

Technical Analysis: The oil market will likely retrace some of its sharp losses and trade in a mostly sideways trading range as the market awaits further developments regarding a meeting later this week between the U.S. and Iran to discuss the Middle Eastern country's nuclear program. The market will also remain in a sideways trading range ahead of a trilateral meeting between the U.S., Russia and Ukraine, over Russia's war in Ukraine scheduled for Wednesday and Thursday. The crude market is seen finding support at \$61.39, \$60.66, \$60.14, \$59.52, \$59.29, \$58.96, \$58.53 and \$58.32. Meanwhile, resistance is seen at \$63.33, \$63.94, \$64.54, \$64.74, \$66.11 and \$66.48. More distant resistance is seen at \$66.75, \$67.74, \$69.58, \$70.41 and \$70.51.

Fundamental News: Axios reported that U.S. President Donald Trump's special envoy Steve Witkoff and Iranian Foreign Minister Abbas Araqchi are expected to meet on Friday in Istanbul to discuss a possible nuclear deal. Earlier, Iran's semi-official Fars news service reported that President Masoud Pezeshkian ordered the start of negotiations with Washington "within the framework of the nuclear issue."

Ukrainian President, Volodymyr Zelenskyy, said a new round of U.S.-brokered trilateral talks between Ukraine and Russia will take place in Abu Dhabi on February 4th and 5th, adding that Kyiv was ready for a "substantive discussion". On Monday, U.S. President Donald Trump's senior envoy Steve Witkoff will arrive in Israel on Tuesday, where he will meet Israeli Prime Minister Benjamin Netanyahu amid heightened regional tensions with Iran and as the Trump administration presses ahead with its plan to end the Gaza war.

The Kremlin also said that the next round of U.S.-brokered trilateral talks between Ukraine and Russia will take place in Abu Dhabi from February 4th-5th, saying talks planned for February 1st had not happened for scheduling reasons.

OPEC+ agreed to keep its oil output unchanged for March at a meeting, even after crude prices hit six-month highs on concern the U.S. could launch a military strike on Iran. Sunday's brief meeting reaffirmed their decision to keep output unchanged for March, after earlier gatherings did the same for January and February.

Crude oil producers in the United States continued bringing oil wells back online on Monday, with only around 0.7% of national output still halted in the aftermath of a winter storm that cut output in late January. According to consultancy Energy Aspects, about 100,000 bpd of crude output remained shut, with outages in the Anadarko accounting for the majority of the losses, followed by the Appalachia.

Early Market Call - as of 8:50 AM EDT

WTI - Mar \$62.58, up 25 cents

RB0B - Mar \$1.8713, up 1.81 cents

HO - Mar \$2.3951, up 2.78 cents

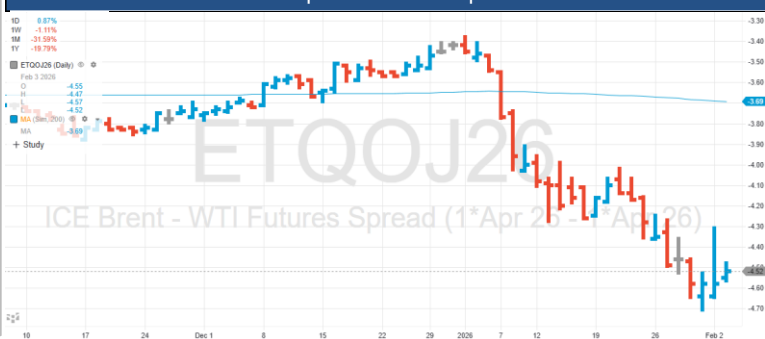
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-26	2.3598	-0.1732	0.0109
Apr-26	2.2750	-0.1446	0.0080
May-26	2.2352	-0.1229	0.0107
Jun-26	2.2057	-0.1084	0.0107
Jul-26	2.1948	-0.0988	0.0119
Aug-26	2.1892	-0.0922	0.0108
Sep-26	2.1898	-0.0885	0.0077
Oct-26	2.1918	-0.0852	0.0049
Nov-26	2.1893	-0.0818	0.0014
Dec-26	2.1830	-0.0785	-0.0018
Jan-27	2.1797	-0.0760	-0.0048
Feb-27	2.1729	-0.0739	-0.0084
Mar-27	2.1583	-0.0720	-0.0115
Apr-27	2.1365	-0.0705	-0.0154
May-27	2.1221	-0.0693	-0.0197
Jun-27	2.1120	-0.0677	-0.0230
Jul-27	2.1120	-0.0654	-0.0240

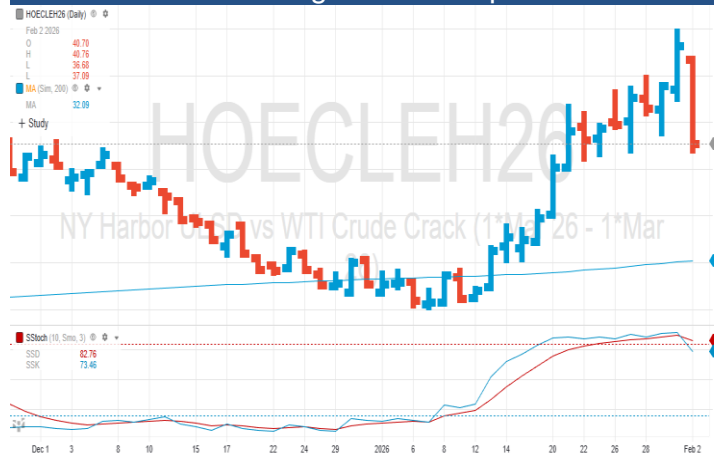
Sprague HeatCurve October 2026-April 2027

	Close	Change
Crude - WTI	\$61.7200	-\$3.0200
Crude - Brent	\$66.3000	-\$3.0200
Natural Gas	\$3.2370	\$1.1170
Gasoline	\$1.8514	-\$0.0908

ICE April Brent-WTI Spread



March Heating Oil Crack Spread



March RBOB Crack Spread



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