

Market Commentary

Recap: The oil market on Wednesday continued to retrace its previous losses and ended the session 3% higher amid the geopolitical tensions. The market was well supported by a report that the U.S. would not agree to a change location and format of talks with Iran scheduled for Friday. The market traded mostly sideways for much of the session as it held resistance at Tuesday's high of \$64.21 and posted a low of \$62.86 in early morning trading amid the news of planned talks to de-escalate the tensions between the U.S. and Iran. However, the crude market breached its resistance and rallied higher after a news report suggested that the planned talks between the U.S. and Iran on Friday could collapse. The market extended its gains to over \$2.30 as it rallied to a high of \$65.53 in afternoon trading. It later retraced some of its gains and settled in a sideways trading range. The March WTI contract ended the session up \$1.93 at \$65.14 and the Brent contract settled up \$2.13 at \$69.46. The product markets ended the day sharply higher, with the heating oil market settling up 6.07 cents at \$2.4700 in light of the large draw in distillate stocks, and the RB market settling up 6.73 cents at \$1.9652.

Technical Analysis: The crude market will remain in its recent trading range as it remains headline driven ahead of the second day of trilateral talks between the U.S., Russia and Ukraine in effort to end the Russian war in Ukraine and ahead of the scheduled talks between the U.S. and Iran on Friday. The oil market is seen finding resistance at \$65.53, \$66.11, \$66.48 followed by more distant resistance at \$66.75, \$67.74, \$69.50 and \$70.51. Meanwhile, support is seen at \$63.85, \$63.32, \$62.86 followed by \$61.12, \$60.66, \$60.14, \$59.52 and \$59.29.

Fundamental News: U.S. President Donald Trump told NBC News that Iran's Supreme Leader "should be very worried" as Washington and Tehran prep for nuclear talks this week.

U.S. Secretary of State, Marco Rubio, said meaningful talks between the United States and Iran will have to include Tehran's missile arsenal and other issues, as Tehran said it would only discuss its nuclear program, not its missiles. Talks between the countries amid fears of a military confrontation have been planned for Friday, with Iran pushing to restrict the negotiations to discussion of its nuclear dispute with Western countries. The meeting was originally planned for Turkey, but a Gulf official, another regional official and Iranian state-affiliated media said the talks were expected to take place in Oman. Iran wanted the meeting to take place in Oman as a continuation of previous rounds of talks held in the Gulf Arab country on its nuclear program and asked for a change of location from Turkey. Iranian Foreign Minister Abbas Araqchi said that nuclear talks with the U.S. are set to be held in the Omani capital Muscat at around 10 a.m. on Friday after Axios reported that U.S. officials have decided to reject Iran's request to change to location for the talks planned for Friday.

Rustem Umerov, the head of Ukraine's National Security and Defense Council, said Ukrainian and Russian officials wrapped up a "productive" first day of new U.S.-brokered talks in Abu Dhabi. He said he would prepare a report for Ukrainian President Volodymyr Zelenskyy, and talks were expected to continue on Thursday. The Trump administration has pushed both Kyiv and Moscow to find a compromise to end the four-year-old war, but the two sides remain far apart on key points despite several rounds of talks with U.S. officials.

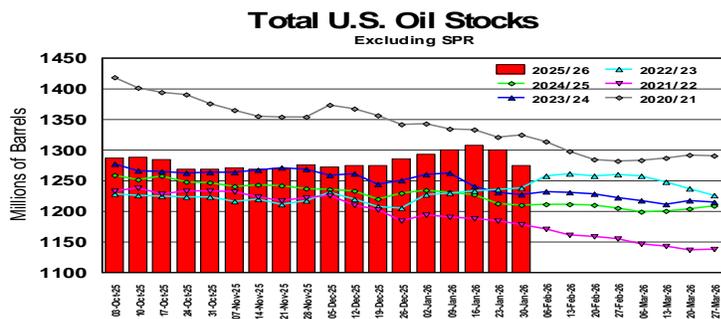
IIR Energy said U.S. oil refiners are expected to shut in about 1.3 million bpd of capacity in the week ending February 6th, increasing available refining capacity by 90,000 bpd.

Early Market Call - as of 8:45 AM EDT
WTI - Mar \$63.34, down \$1.13
RBOB - Mar \$1.9348, down 1.34 cents
HO - Mar \$2.3864, down 5.39 cents

All NYMEX | Prior Settlements

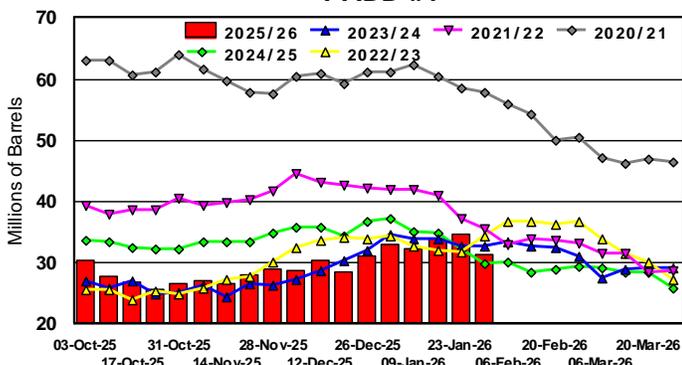
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-26	2.4700	0.0607	0.0231
Apr-26	2.3927	0.0661	0.0439
May-26	2.3484	0.0630	0.0506
Jun-26	2.3140	0.0591	0.0541
Jul-26	2.2984	0.0558	0.0555
Aug-26	2.2886	0.0531	0.0536
Sep-26	2.2855	0.0507	0.0497
Oct-26	2.2838	0.0485	0.0462
Nov-26	2.2779	0.0466	0.0426
Dec-26	2.2684	0.0449	0.0390
Jan-27	2.2628	0.0436	0.0356
Feb-27	2.2534	0.0422	0.0318
Mar-27	2.2362	0.0408	0.0282
Apr-27	2.2117	0.0389	0.0245
May-27	2.1951	0.0369	0.0207
Jun-27	2.1826	0.0349	0.0172
Jul-27	2.1796	0.0323	0.0146

Sprague HeatCurve October 2026-April 2027		\$2.2567
	Close	Change
Crude - WTI	\$64.7500	\$1.9200
Crude - Brent	\$69.4600	\$2.1300
Natural Gas	\$3.4650	\$0.1540
Gasoline	\$1.9652	\$0.0673



Weekly EIA Petroleum Status Report for the Week Ending January 30, 2026

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.5 million barrels
Cushing, OK Crude Stocks Down 743,000 barrels
Gasoline Stocks Up 685,000 barrels
Distillate Stocks Down 5.6 million barrels
Refinery % Operated 90.5%, down 0.4%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Jan 30, 2026	Week Ending Jan 23, 2026	Week Ending Jan 31, 2025
New England	5.1	6.4	5.0
Central Atlantic	14.3	16.2	13.6
Total PADD #1	31.3	34.5	29.9
Distillate Imports (thousands b/d)	180	212	125

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