

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market ended the session higher as the market weighed the geopolitical tension between the U.S. and Iran and the news that India is stepping away from Russian crude purchases. The crude market posted a low of \$62.62 in overnight trading as the market's oil supply fear eased following the U.S. and Iran pledge to continue their talks regarding Iran's nuclear program. However, the market's losses were limited by reports that India's refiners are avoiding purchases for delivery in April as the country looks to sign a trade deal with the U.S. The market was later further supported and extended its gains to over \$1.30 following the news that the U.S. recommended U.S.-flagged vessels to stay as far as possible from Iran while voyaging the Strait of Hormuz and the Gulf of Oman. The market posted a high of \$64.88 by mid-day. The market later settled in a sideways trading range during the remainder of the session. The March WTI contract settled up 81 cents at \$64.36 and the April Brent contract settled up 99 cents at \$69.04. The product markets ended the session higher, with the heating oil market settling up 36 points at \$2.4169 and the RB market settling up 3.23 cents at \$1.9855.

Technical Analysis: The oil market is seen remaining in its recent trading range as the Iranian risk premium remains in the market. The market will remain driven by the latest headlines so long as the U.S. warships remain near Iran. While both the U.S. and Iran have pledged to continue talks following positive discussions during their meeting on Friday, Iran has warned that the country will strike U.S. bases in the Middle East if attacked by U.S. forces, which have built up their naval presence in the region over recent weeks. The crude market is seen finding resistance at its high of \$64.88, \$65.53, \$66.11 and \$66.48. More distant resistance is seen at \$66.75, \$67.74, \$69.50 and \$70.51. Meanwhile, support is seen at \$62.62, \$62.20, \$62.03, \$61.12, \$60.66, \$60.14, \$59.52 and \$59.29.

Fundamental News: The United States issued new guidance on Monday to commercial vessels transiting the Strait of Hormuz. The U.S. Department of Transportation's Maritime Administration advised U.S.-flagged commercial vessels to stay as far from Iran's territorial waters as possible and to verbally decline Iranian forces permission to board if asked.

Platts reported that Indian refiners are avoiding Russian oil purchases for delivery in April and are expected to stay away from such trades for longer. A trader said Indian Oil, Bharat Petroleum and Reliance Industries are not accepting offers from traders for Russian oil loading in March and April. However, refining sources said the refiners had already scheduled some deliveries of Russian oil in March. Russia-backed private refiner Nayara, which relies solely on Russian oil for its 400,000 bpd refinery, may be allowed to keep buying Russian oil because other crude sellers pulled back after the European Union sanctioned the refiner in July.

Bloomberg reported that India's imports of Russian oil are expected to fall by about half by April from an average of 1.2 million bpd in January.

Ukrainian President, Volodymyr Zelenskiy, said Russian energy infrastructure is a legitimate target for Ukrainian strikes because the energy sector is a source of funds for the production of weapons.

IIR Energy said U.S. oil refiners are expected to shut in about 1.23 million bpd of capacity in the week ending February 13th, increasing available refining capacity by 81,000 bpd. Offline capacity is expected to fall to 1.09 million bpd in the week ending February 20th.

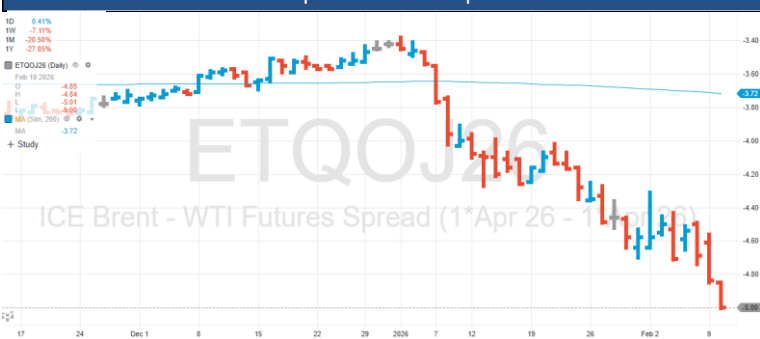
Early Market Call - as of 8:45 AM EDT

WTI - Mar \$64.61, up 19 cents
RBOB - Mar \$1.9858, down 20 points
HO - Mar \$2.3979, down 2.22 cents

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-26	2.4169	0.0036	0.0571
Apr-26	2.3570	0.0142	0.0820
May-26	2.3217	0.0183	0.0865
Jun-26	2.2959	0.0219	0.0902
Jul-26	2.2859	0.0239	0.0911
Aug-26	2.2808	0.0252	0.0916
Sep-26	2.2810	0.0261	0.0912
Oct-26	2.2819	0.0264	0.0901
Nov-26	2.2781	0.0263	0.0888
Dec-26	2.2699	0.0260	0.0869
Jan-27	2.2659	0.0259	0.0862
Feb-27	2.2575	0.0261	0.0846
Mar-27	2.2415	0.0261	0.0832
Apr-27	2.2187	0.0257	0.0822
May-27	2.2028	0.0251	0.0807
Jun-27	2.1903	0.0247	0.0783
Jul-27	2.1883	0.0243	0.0763

Sprague HeatCurve October 2026-April 2027		\$2.2597
Crude - WTI	Apr Brent-	\$64.2000
Crude - Brent	WTI Spread	\$0.8400
Natural Gas	\$4.84	\$69.0400
Gasoline		\$3.1380
		-\$0.2840
		\$1.9855
		\$0.0323

ICE April Brent-WTI Spread



March Heating Oil Crack Spread

March RBOB Crack Spread

