

Market Commentary

Recap: The crude oil market traded higher on Wednesday as the market weighed the continuing concerns over the possible escalation of tension between the U.S. and Iran against a large build in crude inventories that limited gains. The market, which posted a low of \$64.15 in overnight trading, retraced some of its previous losses posted on Tuesday as it rallied to a high of \$65.83 early in the session, ahead of the release of the EIA's weekly petroleum stocks report. The oil market was buoyed by tension in the Middle East, with U.S. President Donald Trump stating that he was considering sending a second aircraft carrier to the Middle East if a deal is not reached with Iran, even as the two countries prepare for the next round of talks. However, the market's gains were limited after the EIA reported a larger than expected build in crude stocks of 8.5 million barrels on the week. The crude market later erased most of its earlier gains during the remainder of the session. The March WTI contract ended the session up 67 cents at \$64.63 and the April Brent contract settled up 60 cents at \$69.40. The product markets ended the session higher, with the heating oil market settling up 4.16 cents at \$2.4404 and the RB market settling up 1.97 cents at \$1.9789.

Technical Analysis: The oil market will remain mired in its recent trading range barring any major headlines as the market remains in a wait and see mode. The market remains concerned over a possible escalation of tension between the U.S. and Iran. While both countries prepare for further talks, U.S. President Trump has stated that a good deal would mean "no nuclear weapons, no missiles", while Iran's Supreme Leader stated that Iran's missile capabilities are its red line. The crude market is seen finding resistance at \$65.83, \$66.11 and \$66.48 followed by more distant resistance at \$66.75, \$67.74, \$69.50 and \$70.51. Meanwhile, support is seen at \$64.15, \$64.03, \$63.65, \$63.47, \$62.92, \$62.62, \$62.20 and \$61.12.

Fundamental News: In its monthly report, OPEC forecast world oil demand for crude from the wider OPEC+ producer group will fall by 400,000 bpd in the second quarter from the first three months of this year. World demand for OPEC+ crude will average 42.20 million bpd in the second quarter, down from 42.60 million bpd in the first quarter. Both forecasts were unchanged from last month's report. In the report, OPEC also left unchanged its forecasts that world oil demand will increase by 1.34 million bpd in 2027 and by 1.38 million bpd this year. OPEC also reported that OPEC+ produced 42.45 million bpd in January 2026, down 439,000 bpd from December 2025, driven by reductions in Kazakhstan, Russia, Venezuela and Iran.

On Tuesday, the U.S. Treasury Department issued a general license to facilitate the exploration and production of oil and gas in Venezuela. The new general license authorizes the provision of U.S. goods, technology, software or services for the exploration, development or production of oil and gas in Venezuela. The permit mandates that any contract for the authorized transactions to be signed with Venezuela's government or state energy company PDVSA must follow U.S. laws, with disputes to be resolved in the United States. Payments to any sanctioned entity must be made into a U.S.-overseen fund.

IIR Energy said U.S. oil refiners are expected to shut in about 1.4 million bpd of capacity in the week ending February 13th, cutting available refining capacity by 54,000 bpd.

IIR Energy said Marathon Petroleum shut its 255,000 bpd refinery in Catlettsburg, Kentucky due to power supply interruption yesterday evening.

A hydrocracker at Chevron's 285,000 bpd El Segundo refinery in southern California remains offline following a large fire, with repair efforts still underway. A large fire erupted in an isomax unit at the refinery in October. The Isomax unit remains down at El Segundo as repairs progress. Industry monitor IIR Energy expects the fire-damaged unit to be back online by the end of March.

Valero Energy Corp reported maintenance activities at its 205,000 bpd Houston, Texas refinery.

Early Market Call - as of 8:55 AM EDT

WTI - Mar \$64.21, down 68 cents

RBOB - Mar \$1.9512, down 3.13 cents

HO - Mar \$2.4209, down 2.69 cents

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-26	2.4404	0.0416	-0.0296
Apr-26	2.3684	0.0318	-0.0243
May-26	2.3306	0.0285	-0.0178
Jun-26	2.3057	0.0268	-0.0083
Jul-26	2.2970	0.0253	-0.0014
Aug-26	2.2923	0.0236	0.0037
Sep-26	2.2925	0.0221	0.0070
Oct-26	2.2933	0.0202	0.0095
Nov-26	2.2897	0.0187	0.0118
Dec-26	2.2817	0.0174	0.0133
Jan-27	2.2774	0.0160	0.0146
Feb-27	2.2686	0.0145	0.0152
Mar-27	2.2523	0.0133	0.0161
Apr-27	2.2289	0.0114	0.0172
May-27	2.2126	0.0098	0.0175
Jun-27	2.1998	0.0087	0.0172
Jul-27	2.1968	0.0077	0.0172

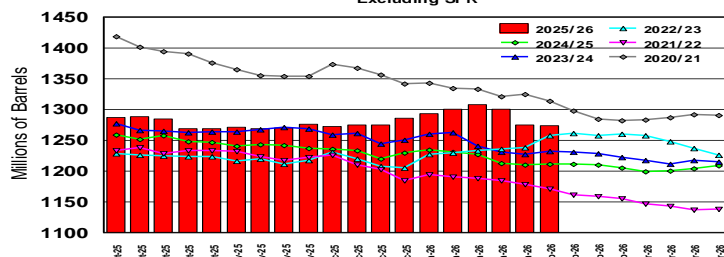
Sprague HeatCurve October 2026-April 2027

\$2.2709

	Close	Change
Crude - WTI	\$64.6300	\$0.6700
Crude - Brent	\$69.4000	\$0.6000
Natural Gas	\$3.1590	\$0.0440
Gasoline	\$1.9789	\$0.0197

Total U.S. Oil Stocks

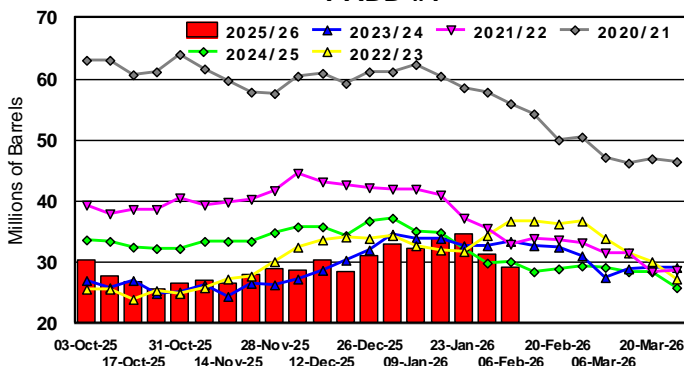
Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending February 6, 2026

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 8.5 million barrels

Cushing, OK Crude Stocks Up 1.07 million barrels

Gasoline Stocks Up 1.2 million barrels

Distillate Stocks Down 2.7 million barrels

Refinery % Operated 89.4%, down 1.1%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Feb 6, 2026	Week Ending Jan 30 2026	Week Ending Feb 7, 2025
New England	4.5	5.1	5.2
Central Atlantic	12.3	14.3	14.6
Total PADD #1	29.1	31.3	30.0
Distillate Imports (thousands b/d)	134	180	215