

Market Commentary

Recap: The oil market tumbled more than \$2 in light of the IEA lowering its global oil demand forecast for 2026. The IEA stated that global oil demand will increase more slowly than previously expected this year, while forecasting a sizeable surplus despite outages that cut supply in January. Also, geopolitical risk seemed to be easing as U.S. President Donald Trump appeared to be framing a resolution to the tension with Iran over its nuclear program. The crude market traded sideways in overnight trading before it began to erase its previous gains and sold off sharply throughout the session, posting a low of \$62.39 ahead of the close. The March WTI contract settled down \$1.79 at \$62.84 and the April Brent contract settled down \$1.88 at \$67.52. The product markets ended the session in negative territory, with the heating oil market settling down 4.77 cents at \$2.3927 and the RB market settling down 6.3 cents at \$1.9159.

Technical Analysis: The crude market on Friday will likely remain pressured, while still remaining in its sideways trading range from \$61 to \$66.50. The market will remain headline driven. While President Donald Trump has stated that he believes a deal can be reached with Iran over its nuclear program, the market will remain on the defensive as long as the U.S. maintains its warships near Iran. The oil market is seen finding support at \$62.39, \$62.20, \$62.03, \$61.12, \$60.66, \$60.14, \$59.52, \$59.29 and \$58.96. Meanwhile, resistance is seen at \$63.70, \$64.11, \$64.52, \$65.10, \$65.83, \$66.11 and \$66.48.

Fundamental News: The International Energy Agency said world oil demand will increase more slowly than expected this year, while projecting that the global market continues to face a sizeable surplus despite outages that cut supply in January. The IEA, in its monthly oil report, projected global oil supply would exceed demand by 3.73 million bpd in 2026, similar to last month's projection. A surplus of that size would be about 4% of world demand and is larger than other predictions. World oil demand will increase by 850,000 bpd this year, down 80,000 bpd from last month's forecast. Referring to the lower demand growth forecast, the IEA said "economic uncertainties and higher oil prices" are weighing on consumption. The IEA trimmed its projection for the growth in world oil supply this year to 2.4 million bpd, from 2.5 million bpd last month, although this is much faster than the rate of demand growth.

U.S. President Donald Trump said the United States has to make a deal with Iran and thinks a deal could be struck over the next month.

Turkey's Foreign Minister, Hakan Fidan, told the Financial Times in an interview that the U.S. and Iran appeared ready to compromise to secure a nuclear deal, but broadening talks to cover Tehran's ballistic missile program would risk "nothing but another war". He said "It is positive that the Americans appear willing to tolerate Iranian enrichment within clearly set boundaries."

On Wednesday, Ukrainian President Volodymyr Zelenskyy said the U.S. needed to put more pressure on Russia if it wanted the war to end by summer, adding it was unclear whether Moscow would attend U.S.-brokered peace talks next week. He said Ukraine was ready to attend the meeting, which follows two rounds of trilateral negotiations in Abu Dhabi over the past month that have failed to produce a breakthrough.

The Kremlin said that it expected the next round of peace talks on Ukraine to happen soon and that there was already an understanding about their timing and location.

Early Market Call - as of 8:25 AM EDT

WTI - Mar \$62.79, down 12 cents
 RBOB - Mar \$1.9121, down 48 points
 HO - Mar \$2.4103, up 1.43 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Mar-26	2.3927	-0.0477	-0.0005
Apr-26	2.3104	-0.0580	-0.0201
May-26	2.2737	-0.0569	-0.0196
Jun-26	2.2505	-0.0552	-0.0136
Jul-26	2.2428	-0.0542	-0.0098
Aug-26	2.2391	-0.0532	-0.0070
Sep-26	2.2404	-0.0521	-0.0052
Oct-26	2.2425	-0.0508	-0.0037
Nov-26	2.2402	-0.0495	-0.0022
Dec-26	2.2337	-0.0480	-0.0011
Jan-27	2.2303	-0.0471	-0.0006
Feb-27	2.2228	-0.0458	0.0002
Mar-27	2.2070	-0.0453	0.0004
Apr-27	2.1864	-0.0425	0.0026
May-27	2.1724	-0.0402	0.0038
Jun-27	2.1631	-0.0367	0.0060
Jul-27	2.1626	-0.0342	0.0071

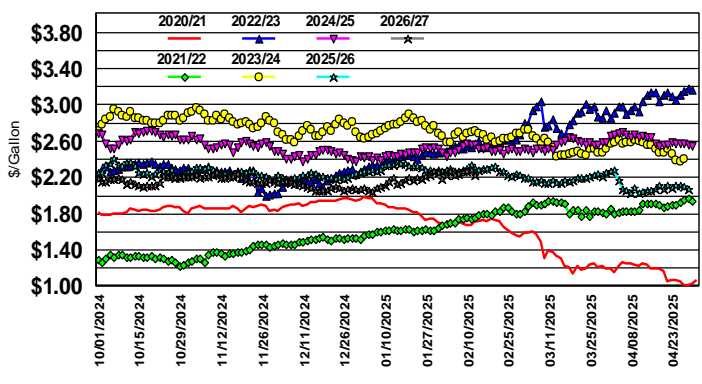
Sprague HeatCurve October 2026-April 2027		Close	Change
Crude - WTI	Apr Brent- WTI Spread \$4.87	\$62.6500	-\$1.8100
Crude - Brent		\$67.5200	-\$1.8800
Natural Gas		\$3.2170	\$0.0580
Gasoline		\$1.9159	-\$0.0630

EIA Working Gas Storage Report

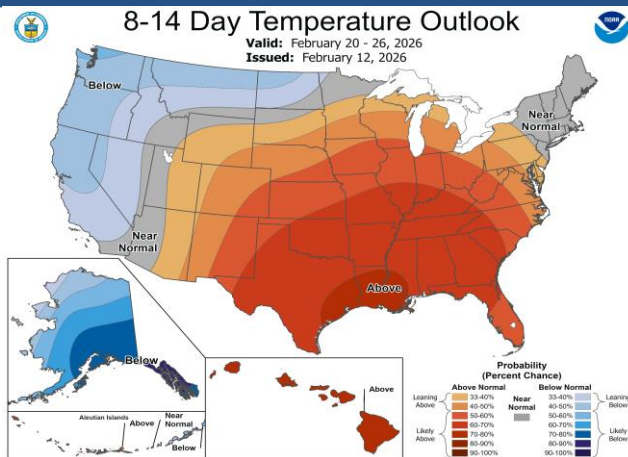
	06-Feb-26	30-Jan-26	Change	06-Feb-25
East	438	502	-64	474
Midwest	510	584	-74	566
Mountain	209	213	-4	194
Pacific	273	272	1	225
South Central	784	891	-107	853
Salt	176	228	-52	227
Nonsalt	608	663	-55	626
Total	2214	2463	-249	2,311

Sprague HeatCurve

Sprague HeatCurve October-April



Weather Outlook



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