

Market Commentary

Recap: The oil market traded higher early in the session on Friday but gave up its gains and ended the session in negative territory as the market weighed the Middle East tensions against concerns over global economies and its impact on demand. The market was supported amid concerns over wider instability in the Middle East. Iran said that it successfully carried out an air defense drill in an area stretching from its southwestern to southeastern coasts that border Pakistan and Afghanistan. This followed Pakistan's air strikes against what it said were separatist militants inside Iran in a retaliatory attack two days after Tehran said it struck the bases of another group within Pakistani territory. Meanwhile, the U.S. launched more strikes against Houthi anti-ship missiles aimed at the Red Sea. The crude market traded higher and posted a high of \$74.91 by mid-morning. However, the market gave up some of its gains and sold off to a low of \$73.20 in afternoon trading. The market settled in a sideways trading range ahead of the close. The February WTI contract ended the session down 67 cents or 0.90% at \$73.41 but was up 1% on the week. The March Brent contract settled down 54 cents or 0.68% at \$78.56 but ended the week 0.34% higher. The product markets ended the session in negative territory, with the heating oil settling down 3.15 cents at \$2.6621 and the RB market settling down 2.07 cents at \$2.1628.

Technical Analysis: The crude market is seen remaining in its recent trading range from \$69.00 to \$76.00. While the market is supported by the concerns of further escalations in Middle East tensions, its gains will remain limited as long as output is not affected. Resistance is seen at its high of \$74.91, \$75.25, \$75.66, \$76.18 and \$76.81. Meanwhile, support is seen at its low of \$73.20, \$72.18, \$70.50, \$70.13, \$69.28 and \$67.98.

Fundamental News: The U.S. bought 3.2 million barrels of crude oil for the SPR as it continues to slowly replenish the reserve after selling a record amount following Russia's invasion of Ukraine in 2022.

U.S. Central Command said Iran-allied Houthi militia launched two anti-ship ballistic missiles at a U.S.-owned tanker ship on Thursday night that hit the water near the vessel, causing no injuries or damage.

Yemen's Houthis have said they did not intend to expand their attacks on shipping in and around the Red Sea further, beyond their stated aims of blockading Israel and retaliating against the United States and Britain for air strikes. Houthi spokesman Mohammed Abdulsalam, said the group had no plans to target longstanding foes Saudi Arabia and the United Arab Emirates.

North Dakota's State Pipeline Authority reported that about 30% of the state's oil output remained shut in due to extreme cold weather and operational challenges. Oil output was estimated to be down 350,000 bpd to 400,000 bpd due to the cold weather. This was compared with a production outage of 500,000 bpd to 550,000 bpd on Thursday. Separately, the state regulator said North Dakota's oil production may take one month to return to normal following the output cuts.

North Dakota's Industrial Commission said oil production in North Dakota increased by 24,000 bpd to 1,278,000 bpd in November. Bakken and Three Forks oil production stood at 1,247,000 bpd in November.

Early Market Call - as of 9:35 AM EDT

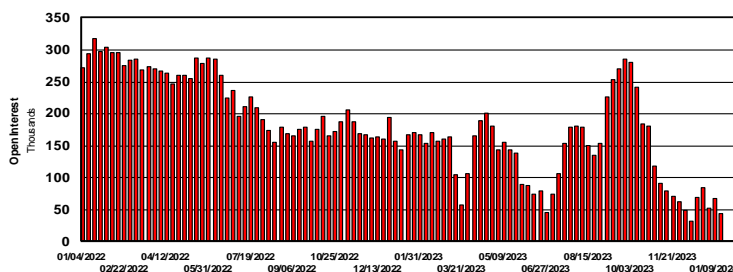
WTI - February \$73.74, up 33 cents
 RBOB - February \$2.1882, up 2.54 cents
 HO - February \$2.6566, down 55 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-24	2.6621	-0.0315	-0.0072
Mar-24	2.6278	-0.0218	0.0123
Apr-24	2.5707	-0.0182	0.0163
May-24	2.5230	-0.0172	0.0138
Jun-24	2.4848	-0.0162	0.0102
Jul-24	2.4674	-0.0162	0.0063
Aug-24	2.4588	-0.0166	0.0044
Sep-24	2.4597	-0.0170	0.0042
Oct-24	2.4627	-0.0171	0.0042
Nov-24	2.4601	-0.0168	0.0037
Dec-24	2.4513	-0.0170	0.0019
Jan-25	2.4430	-0.0172	0.0007
Feb-25	2.4327	-0.0172	-0.0004
Mar-25	2.4173	-0.0175	-0.0024
Apr-25	2.3962	-0.0177	-0.0047
May-25	2.3813	-0.0192	-0.0071
Jun-25	2.3699	-0.0197	-0.0089

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.31	\$73.2500	-\$0.7000
Crude - Brent		\$78.5600	-\$0.5400
Natural Gas		\$2.5190	-\$0.1780
Gasoline		\$2.1628	-\$0.0207

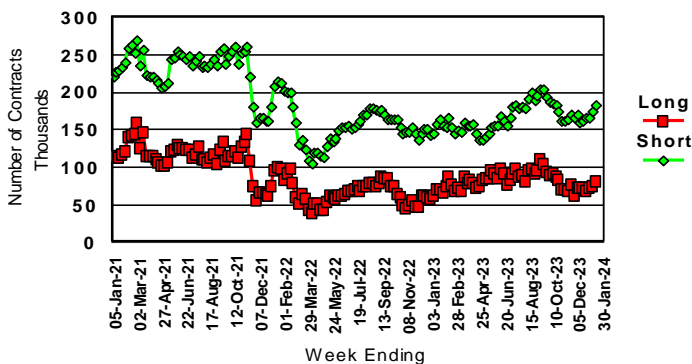
WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending January 16, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

