

Market Commentary

Recap: The oil market on Friday retraced some of its earlier losses in afternoon trading and settled higher for a second consecutive week. Positive U.S. economic growth and economic stimulus in China and a larger than expected draw in crude stocks for last week all combined to move prices higher earlier in the week. The crude market traded mostly sideways in overnight trading before it traded to \$77.64 by mid-morning. The market later gave up all of its early gains and traded to a low of \$76.06 on hopes that oil shipping disruptions in the Red Sea could ease after officials in China asked Iran to help rein in attacks on ships by the Houthis militants or risk harming business relations with China. However, the crude market bounced off its low and rallied to a high of \$78.21 ahead of the close on news of a Houthi attack on a British oil tanker. The March WTI contract settled up 65 cents or 0.84% at \$78.01 and the March Brent contract settled up \$1.12 or 1.36% at \$83.55. Both the WTI and Brent crude contracts were up over 6% each on the week. The product markets also ended the session higher, with the heating oil market settling up 4.8 cents at \$2.8434 and the RB market settling up 2.97 cents at \$2.2941.

Technical Analysis: While the oil market is in technically overbought territory, the market will remain supported so long as traders remain concerned over the escalation in the number of attacks on vessels transiting the Red Sea following the latest attacks on fuel tankers. The market is seen finding resistance at its high of \$78.21, \$79.56, \$79.65 and \$80.08. More distant resistance is seen at \$81.07 and \$82.04. Meanwhile, support is seen at its low of \$76.06, \$75.16, \$73.94, \$73.41 followed by \$72.56 and \$72.10.

Fundamental News: British maritime security firm Ambrey said that a fire broke out as a merchant vessel was hit with a "Missile" southeast of Yemen's Gulf of Aden. Meanwhile, Yemen's Houthis said their naval forces carried out an operation targeting "the British oil tanker Marlin Luanda" in the Gulf of Aden causing a fire to break out.

Four Iranian sources and a diplomat said Chinese officials have asked their Iranian counterparts to help rein in attacks on ships in the Red Sea by the Iran-backed Houthis or risk harming business relations with China. The discussions about the attacks and trade between China and Iran took place at several recent meetings in Beijing and Tehran.

Saudi Aramco is continuing to send tanker loads of crude and fuel through the southern Red Sea. The decision contrasts with other tanker owners who abandoned Red Sea trips after the U.S. and U.K. bombed parts of Yemen in an effort to stop the Houthi attacks.

OPEC+ sources said OPEC+ will likely decide its oil production levels for April and beyond in the coming weeks, adding that a meeting of a key ministerial panel next Thursday would take place too early to take decisions on further output policy.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.9 million bpd of capacity in the week ending January 26th, cutting available refining capacity by 178,000 bpd.

Russian officials reported the major fire that broke out at Rosneft's 240,000 b/d Tuapse refinery on January 25th following a Ukrainian drone attack, was extinguished after five hours. The fire reportedly was in the refinery's vacuum distillation unit. Market sources noted that damage to the VDU could suspend VGO production and may prompt operators to move forward planned maintenance at the refinery which had been scheduled to begin sometime next month. The refinery is a major export hub for refinery feedstocks, including high sulfur gasoil, naphtha, straight run fuel oil and vacuum gasoil.

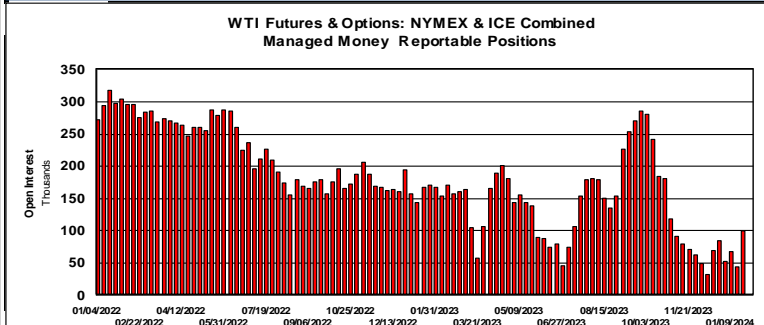
Early Market Call - as of 8:35 AM EDT

WTI - March \$77.33, down 68 cents
 RBOB - February \$2.2594, down 3.47 cents
 HO - February \$2.8198, down 2.36 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-24	2.8434	0.0480	0.1813
Mar-24	2.8057	0.0402	0.1779
Apr-24	2.7337	0.0348	0.1630
May-24	2.6668	0.0316	0.1438
Jun-24	2.6094	0.0290	0.1246
Jul-24	2.5813	0.0261	0.1139
Aug-24	2.5671	0.0246	0.1083
Sep-24	2.5648	0.0240	0.1051
Oct-24	2.5677	0.0251	0.1050
Nov-24	2.5630	0.0243	0.1029
Dec-24	2.5504	0.0219	0.0991
Jan-25	2.5390	0.0201	0.0960
Feb-25	2.5255	0.0188	0.0928
Mar-25	2.5073	0.0172	0.0900
Apr-25	2.4836	0.0165	0.0874
May-25	2.4661	0.0165	0.0848
Jun-25	2.4513	0.0165	0.0814

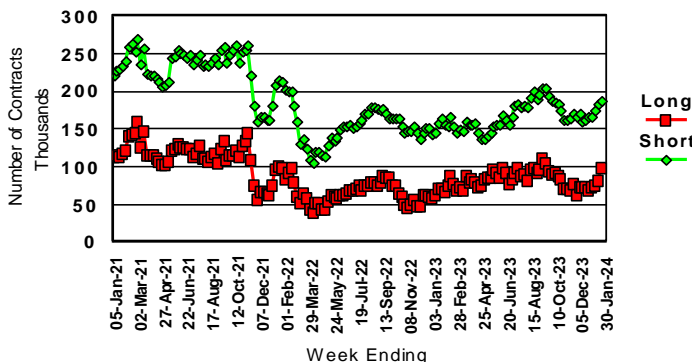
Sprague HeatCurve October 2024-April 2025		\$2.5335	
	Close	Change	
Crude - WTI	Mar Brent-	\$78.0100	\$0.6500
Crude - Brent	WTI Spread	\$83.5500	\$1.1200
Natural Gas	\$5.54	\$2.7120	\$0.1410
Gasoline		\$2.2941	\$0.0297



Commitment of Traders Report for the Week Ending January 23, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

