

Market Commentary

Recap: The oil market on Monday posted an outside trading day as the market traded lower on news that production at Libya's Sharara oilfield resumed on Sunday after protesters ended a sit-in that had halted output since early January before it traded higher on news of a drone attack on a Russian fuel export terminal. The crude market traded lower and posted a low of \$72.89 in overnight trading on the Libyan oilfield resuming operations. However, the market bounced off its low and retraced its losses as it extended its gains to over \$2.30 late in the session ahead of the February WTI contract's expiration at the close. The market was well supported by a Ukrainian drone attack on a Russian fuel export terminal in the Baltic, which prompted the suspension of some operations. The oil market later erased some of its gains ahead of the close. The February contract went off the board up \$1.78 at \$75.19, while the March contract settled up \$1.51 at \$74.76. The March Brent contract settled up \$1.50 at \$80.06. The product markets ended the session higher, with the heating oil market settling up 3.14 cents at \$2.6935 and the RB market settling up 7.5 cents at \$2.2378.

Technical Analysis: The crude market, which remains in a sideways trading range from \$69.50 to \$76.50 basis the March contract, is well supported by the geopolitical concerns as the wars in Ukraine and the Middle East continue with no end in sight. The oil market will look to the weekly petroleum stocks reports for further direction, with the inventory reports expected to show draws in crude stocks of about 3 million barrels in the latest week. The market is seen finding resistance at its high of \$75.46, \$75.81 and \$76.31. Further upside is seen at \$76.71 and \$79.56. Meanwhile, support is seen at \$72.56, \$72.10, \$70.62, \$70.25 and \$69.56.

Fundamental News: The North Dakota Pipeline Authority said over 20% of North Dakota's oil output remained shut in due to extreme cold weather and operational challenges. It said oil output was estimated to be down 250,000 bpd to 300,000 bpd, compared with production outage of 350,000 bpd to 400,000 bpd on Friday.

According to the Joint Organizations Data Initiative, Saudi Arabia's crude oil exports in November increased to 6.336 million bpd from 6.297 million bpd in October. Saudi Arabia's oil output fell by 122,000 bpd on the month to 8.818 million bpd. Its domestic refinery crude throughput fell by 27,000 bpd to 2.089 million bpd.

On Sunday, Libya's National Oil Corporation lifted the force majeure and resumed full production from the Al-Sharara oilfield. Libya's NOC had on January 7th declared a force majeure at its Sharara oilfield, capable of producing up to 300,000 bpd due to protests in the area.

Russia's Transneft resumed crude oil and oil products oil loading from the Baltic Sea port of Ust-Luga on Monday after weather-related disruptions and a fire at nearby Novatek's complex. RIA Novosti news agency also reported, citing Transneft, that loadings resumed on Monday morning. The nearby fuel terminal and processing complex, controlled by Novatek, caught fire on Sunday following a suspected drone attack and suspended exports and production.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.6 million bpd of capacity in the week ending January 26th, cutting available refining capacity by 165,000 bpd. Offline capacity is expected to fall to 1.55 million bpd in the week ending February 2nd.

The U.S. Climate Prediction Center Monday estimated the U.S. saw some 292 HDDs on an oil home heating customer weighted basis for the week ending January 20th. This was some 10.6% higher than normal and was 41.7% higher than the same week a year ago. It also marked the first colder than normal week since December 2nd. For the current week ending January 27th the CPC is forecasting only 209 HDDs some 54 HDDs less than normal and 5 less than the same week a year ago.

Early Market Call - as of 10:50 AM EDT

WTI - March \$74.60, down 16 cents

RBOB - February \$2.2056, down 3.26 cents

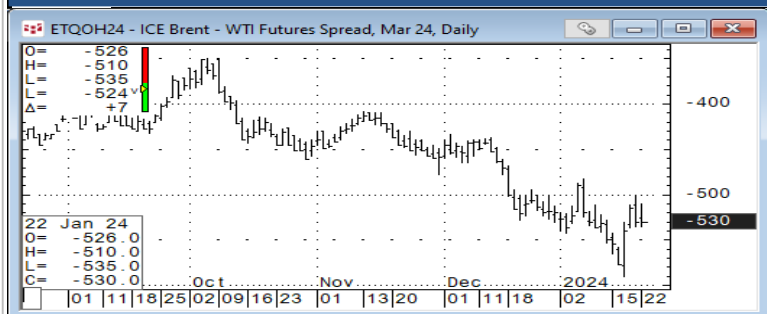
HO - February \$2.6932, down 3 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-24	2.6935	0.0314	0.0329
Mar-24	2.6637	0.0359	0.0506
Apr-24	2.6055	0.0348	0.0521
May-24	2.5575	0.0345	0.0503
Jun-24	2.5194	0.0346	0.0492
Jul-24	2.5018	0.0344	0.0475
Aug-24	2.4935	0.0347	0.0472
Sep-24	2.4948	0.0351	0.0481
Oct-24	2.4982	0.0355	0.0490
Nov-24	2.4959	0.0358	0.0495
Dec-24	2.4876	0.0363	0.0491
Jan-25	2.4796	0.0366	0.0489
Feb-25	2.4693	0.0366	0.0485
Mar-25	2.4539	0.0366	0.0478
Apr-25	2.4319	0.0357	0.0458
May-25	2.4164	0.0351	0.0433
Jun-25	2.4035	0.0336	0.0414

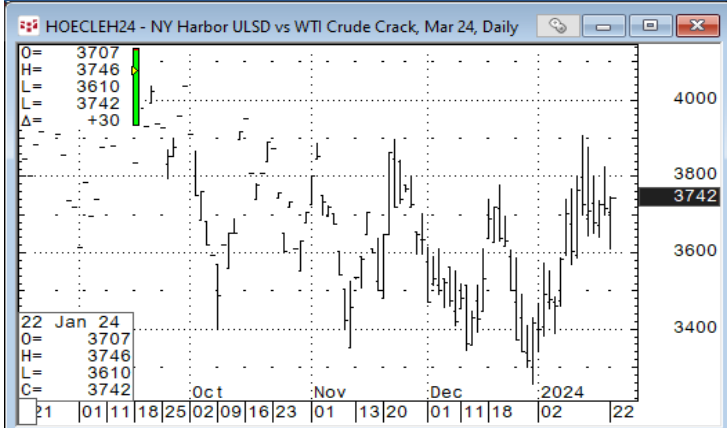
Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.30	\$74.7600	\$1.5100
Crude - Brent		\$80.0600	\$1.5000
Natural Gas		\$2.4190	-\$0.1000
Gasoline		\$2.2378	\$0.0750

ICE March Brent-WTI Spread

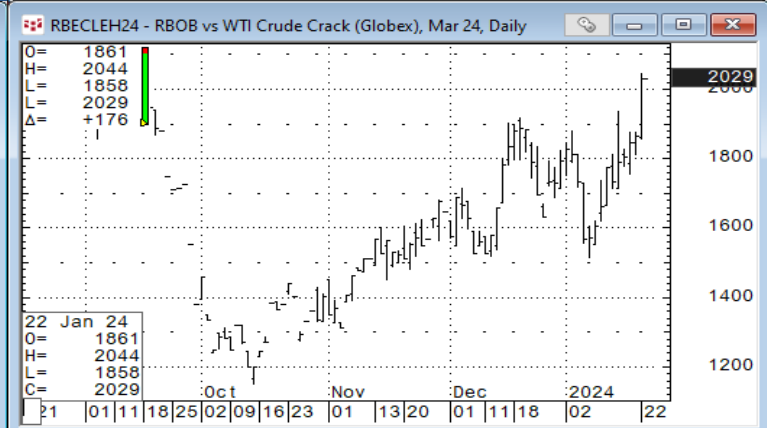


COG Inc. © 2024 All rights reserved worldwide ETQOH24,D | 01/22/2024 15:45:44, COG 22.12.8050

March Heating Oil Crack Spread



March RBOB Crack Spread



COG Inc. © 2024 All rights reserved worldwide HOECLH24,D | 01/22/2024 15:46:29, COG 22.12.8050 RBECLEH24,D | 01/22/2024 15:46:43, COG 22.12.8050