

Market Commentary

Recap: The oil market continued to trend higher on Thursday as the market remained well supported following the EIA report on Wednesday showing a larger than expected draw in crude stocks last week of more than 9 million barrels. The market was also supported by news of China cutting reserve requirements for banks in order to spur growth, increasing sentiment around the country's economic recovery. Meanwhile, a drone attack caused a fire that damaged a major refinery in Russia on Thursday following another strike that endangered Russian crude flow earlier in the week. The crude market posted a low of \$75.16 in overnight trading and bounced higher on the bullish fundamentals. The market never looked back as it extended its gains over \$2.40 to a high of \$77.51 on the close. The March WTI contract settled up \$2.27 at \$77.36 and the March Brent contract settled up \$2.39 at \$82.43. The product markets also settled sharply higher, with the heating oil market settling up 11.36 cents at \$2.7954 and the RB market settling up 5.49 cents at \$2.2644.

Technical Analysis: The crude market on Friday will likely retrace some of Thursday's sharp gains before it continues to trend higher in light of recent supportive fundamentals. The market will look for further direction from the PCE data due on Friday morning. The market will also remain supported by the continuing concerns over the shipping issues in the Red Sea. The oil market is seen finding resistance at its high of \$77.51, \$79.56, \$79.65, its 62% retracement level, and \$80.08. Meanwhile, support is seen at \$75.95, \$75.16, \$73.94, \$73.41, \$72.56 and \$72.10.

Fundamental News: Kuwait Oil Tanker Company said it is monitoring and assessing the situation in the Red Sea on a daily basis. It said the company is taking precautionary measures to protect the safety of its fleet.

Valero Energy Corp's Chief Operating Officer, Gary Simmons, said the Red Sea attacks have led to an increase in freight rates for crude oil.

The French army said a second French warship has arrived in the Red Sea region as part of efforts to ensure freedom of navigation. French officials have said their ships remain under national command and their priority is to escort French-linked vessels.

Bloomberg is reporting a fire damaged Rosneft PJSC's Tuapse refinery on Russia's Black Sea coast early Thursday, the latest in a string of incidents at the nation's downstream and energy-export facilities blamed on attacks by Ukraine. Local officials said a fire at a Rosneft-owned export-oriented oil refinery, with a capacity of 240,000 bpd, in the southern Russian town of Tuapse overnight has been extinguished.

S&P Global Commodities at Sea data is showing the Russian Ust-Luga Baltic Sea facility has resumed docking tankers following a suspected Ukrainian drone attack that have resulted in a fire at the facility.

The U.S. economy grew faster than expected in the fourth quarter amid strong consumer spending, with growth for the full year coming in at 2.5%. The Commerce Department's Bureau of Economic Analysis said GDP in the last quarter increased at a 3.3% annualized rate in its advance estimate of fourth-quarter GDP. The economy grew at a 4.9% pace in the third quarter. Consumer spending increased at a 2.8% rate in the October-December quarter after increasing at a 3.1% pace in the third quarter. The personal consumption expenditures price index increased 1.7% in the fourth quarter compared with an increase of 2.6%. Excluding food and energy prices, the PCE price index increased 2%, the same change as the third quarter.

Early Market Call - as of 8:40 AM EDT

WTI - March \$76.65, down 71 cents

RBOB - February \$2.2471, down 1.73 cents

HO - February \$2.7860, down 94 points

All NYMEX | Prior Settlements

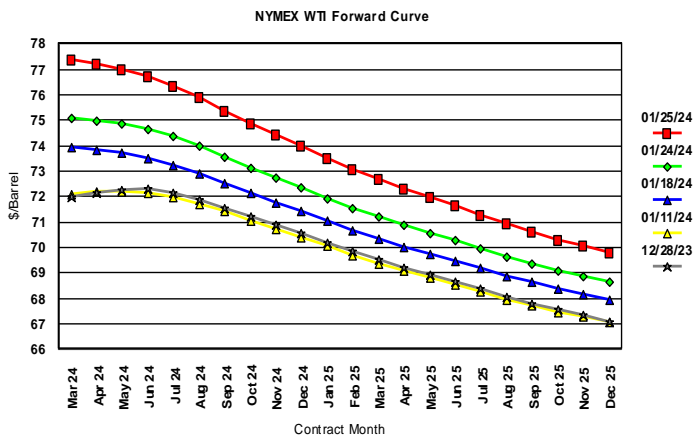
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Feb-24	2.7954	0.1136	0.1018
Mar-24	2.7655	0.1101	0.1159
Apr-24	2.6989	0.1008	0.1100
May-24	2.6352	0.0863	0.0950
Jun-24	2.5804	0.0698	0.0794
Jul-24	2.5552	0.0616	0.0716
Aug-24	2.5425	0.0564	0.0671
Sep-24	2.5408	0.0528	0.0641
Oct-24	2.5426	0.0506	0.0628
Nov-24	2.5387	0.0486	0.0618
Dec-24	2.5285	0.0462	0.0602
Jan-25	2.5189	0.0442	0.0587
Feb-25	2.5067	0.0432	0.0568
Mar-25	2.4901	0.0420	0.0553
Apr-25	2.4671	0.0410	0.0532
May-25	2.4496	0.0393	0.0491
Jun-25	2.4348	0.0364	0.0452

Sprague HeatCurve October 2024-April 2025			\$2.5133
		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$5.07	\$77.3600	\$2.2700
Crude - Brent		\$82.4300	\$2.3900
Natural Gas		\$2.5710	-\$0.0700
Gasoline		\$2.2644	\$0.0549

EIA Working Gas Storage Report

	19-Jan-24	12-Jan-24	Change	19-Jan-23
East	657	715	-58	628
Midwest	788	873	-85	758
Mountain	194	208	-14	141
Pacific	228	257	-29	151
South Central	990	1128	-138	1,067
Salt	269	332	-63	310
Nonsalt	721	796	-75	758
Total	2856	3182	-326	2,746

WTI Forward Curve



8-14 Day Weather Forecast

