

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market on Thursday sold off sharply early in the afternoon on speculation that Israel agreed to a Gaza ceasefire proposal. Instead, a Qatar official said that Hamas received a ceasefire proposal positively but has not responded to it yet. Early in the session, the market breached its previous low as it continued to find some selling pressure after the Federal Reserve said it would not race to cut interest rates on Wednesday and the recent weak economic data from China. The market was also cautious ahead of the OPEC+ ministerial monitoring meeting. By mid-morning, the market retraced some of its previous losses as the market remained concerned about the situation in the Middle East. The market was supported by a CBS report stating that the U.S. approved plans for multi-day strikes in Iraq and Syria against multiple targets, including Iranian personnel and facilities. However, the market sold off sharply, extending its losses to \$2.15 as it traded to a low of \$73.70 ahead of the close on the reports that Hamas had given its initial approval a ceasefire proposal. The March WTI contract settled down \$2.03 at \$73.82 and the March Brent contract settled down \$1.85 at \$78.70. The product markets also ended the session lower, with the heating oil market settling down 7.23 cents at \$2.7129 and the RB market settling down 3.64 cents at \$2.1948.

Technical Analysis: The crude market will seek further direction from updates on the possible ceasefire between Israel and Hamas, which could reduce tensions in the Middle East and attacks on shipping in the Red Sea that have been behind the recent rally in oil prices. A ceasefire would call into questions if and when the Biden administration would respond to the attack on U.S. servicemen in Jordan. The oil market's gains will be limited by any news of an agreement on a ceasefire. The market is seen finding support at its low of \$73.70 followed by \$73.41, \$73.28, \$72.56 and \$72.10. More distant support is seen at \$70.62, \$70.25 and \$69.56. Meanwhile, resistance is seen at \$75.90, \$76.85, its high of \$76.95, \$77.50, \$78.11-\$78.14, \$79.29, \$79.56, \$79.65 and \$80.08.

Fundamental News: A Qatari official said Hamas received a truce proposal for a ceasefire and release of hostages in the Gaza Strip positively but had not responded yet. This is contrary to a report by Al Jazeera's Arabic newswire that cited a Qatar Foreign Ministry spokesman as saying, "Israel agreed to a ceasefire proposal and we have initial positive confirmation from Hamas."

U.S. Defense Secretary, Lloyd Austin, said it was a dangerous moment in the Middle East but the U.S. would work to avoid a wider conflict. He reiterated that the U.S. would have a multi-tiered response to the deadly attack in Jordan that killed three U.S. troops.

CBS News reported that the U.S. approved plans for multi-day strikes in Iraq and Syria against multiple targets, including Iranian personnel and facilities. The report did not provide details on what a U.S. approval meant in terms of a timeline for the strikes.

Two OPEC+ sources said OPEC+ will decide in March whether or not to extend voluntary oil production cuts in place for the first quarter, after the Joint Ministerial Monitoring Committee meeting made no changes to the group's output policy. The two OPEC+ sources said the cuts will be reviewed in March and an announcement will then be made when they are up for renewal as has been customary with OPEC+ voluntary cuts so far. Earlier on Thursday, leading ministers from OPEC and allies, led by Russia, known as OPEC+, met online to discuss the market and oil output levels, and made no changes to policy.

BP Plc said it was shutting down its 435,000 bpd refinery in Whiting, Indiana after a suspected power outage. The city of Whiting said the power outage caused flaring as additional product was being burned.

Early Market Call - as of 8:15 AM EDT

WTI - March \$73.34, down 48 cents
 RBOB - March \$2.1725, down 2.23 cents
 HO - March \$2.6757, down 3.71 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Mar-24	2.7129	-0.0723	-0.0526
Apr-24	2.6558	-0.0645	-0.0431
May-24	2.5919	-0.0559	-0.0433
Jun-24	2.5409	-0.0520	-0.0395
Jul-24	2.5188	-0.0494	-0.0364
Aug-24	2.5063	-0.0475	-0.0362
Sep-24	2.5045	-0.0455	-0.0363
Oct-24	2.5060	-0.0437	-0.0366
Nov-24	2.5000	-0.0423	-0.0387
Dec-24	2.4859	-0.0412	-0.0426
Jan-25	2.4733	-0.0402	-0.0456
Feb-25	2.4583	-0.0395	-0.0484
Mar-25	2.4377	-0.0392	-0.0524
Apr-25	2.4123	-0.0392	-0.0548
May-25	2.3933	-0.0392	-0.0563
Jun-25	2.3778	-0.0391	-0.0570
Jul-25	2.3672	-0.0391	-0.0573

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Mar Brent-WTI Spread \$4.88	\$73.8200	-\$2.0300
Crude - Brent		\$78.7000	-\$1.8500
Natural Gas		\$2.0500	-\$0.0500
Gasoline		\$2.1948	-\$0.0364

	26-Jan-24	19-Jan-24	Change	26-Jan-23
East	605	657	-52	584
Midwest	727	788	-61	715
Mountain	185	194	-9	133
Pacific	223	228	-5	141
South Central	919	990	-71	1,031
Salt	248	269	-21	299
Nonsalt	672	721	-49	732
Total	2659	2856	-197	2,605

WTI Forward Curve

8-14 Day Weather Forecast

