

Fundamentals:

Oil prices settled higher on Friday but fell week-on-week after health authorities in China eased some of the country's heavy COVID-19 curbs, raising hopes for improved economic activity and demand in the world's top crude importer.

Brent crude futures settled up \$2.32 at \$95.99 a barrel, extending a 1.1% rise from the previous session but falling 2.6% on the week.

U.S. West Texas Intermediate (WTI) crude futures settled up \$2.49, or 2.9%, at \$88.96 a barrel, after climbing 0.8% in the previous session but down nearly 4% on the week.

The easing curbs include shortening quarantine times for close contacts of cases and inbound travelers by two days, as well as eliminating a penalty on airlines for bringing in infected passengers.

The benchmark oil contracts fell during the week due to rising U.S. oil inventories, and lingering fears over capped fuel demand in China, but late-week gains limited the losses.

A weaker U.S. dollar also supported oil prices as it makes the commodity cheaper for buyers holding other currencies.

Prices also picked up on Friday after milder-than-expected U.S. inflation reinforced hopes that the Federal Reserve would slow down rate increases, boosting chances of a soft landing for the world's biggest economy.

Saudi Arabia's energy minister Prince Abdulaziz bin Salman said OPEC+ will remain cautious on oil production, noting that members saw "uncertainties" in the global economy ahead of the bloc's next meeting in December, Bloomberg News reported on Friday.

The Organization of the Petroleum Exporting Countries and allies led by Russia, collectively known as OPEC+, last month agreed to steep production cuts, and will meet again on Dec. 4 to set its policy.

China's COVID-19 caseload soared to its highest since the lockdown in Shanghai earlier this year. Both Beijing and Zhengzhou reported record daily cases.

Besides work-from-home orders reducing mobility and fuel demand, travel across China remained subdued as people wanted to avoid the risk of being caught up in quarantine, ANZ Research analysts said in a note.

U.S. natural gas futures dropped about 6% on Friday in what has already been an extremely volatile week on forecasts for less cold and heating demand next week than previously expected.

Traders also noted the market remained focused on unproven rumors that the Freeport liquefied natural gas (LNG) export plant in Texas may not return until December. But with gas prices in Europe down about 13%, traders noted rumors about Freeport were not necessarily the cause of the latest U.S. price drop since a delayed Freeport startup should cause global gas prices to spike higher.

Front-month gas futures fell 36.0 cents, or 5.8%, to settle at \$5.879 per million British thermal units (MMBtu).

That put the contract down about 8% for the week after gaining about 15% and 13% during the prior two weeks.

Rapid price changes over the past couple of weeks - futures gained or lost more than 5% on eight of the past 10 days - boosted the contract's 30-day implied volatility index to its highest level since hitting a record in October 2021 for a third day in a row. The market uses implied volatility to estimate likely price changes in the future.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil DEC 22	88.96	2.51	90.10	86.18
Natural Gas DEC 22	5.879	-0.302	6.505	5.775
RB Gasoline DEC 22	260.96	6.23	264.80	255.48
Heating Oil DEC 22	355.53	1.81	369.48	350.78
Brent Fin Last Day JAN 23	95.99	2.32	96.92	93.27
US Dollar Index	106.38	-1.829	108.44	106.281

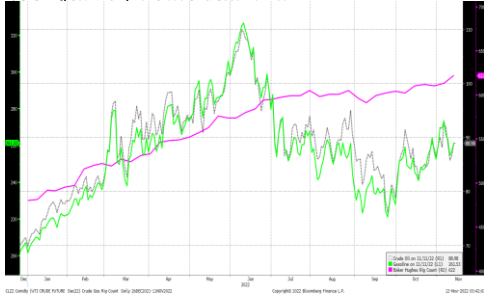
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
04/11/2022	3925	250	900	-1450	12100	440755
28/10/2022	-3115	-200	-1257	-1000	11900	436830
21/10/2022	2588	1500	-1478	-1500	12000	439945
14/10/2022	-1725	2500	-114	-2000	12000	437357
07/10/2022	9679	1000	2022	-2000	11900	439082
30/09/2022	-1356	1800	-4728	-1100	12000	429203
23/09/2022	-215	2000	-2422	500	12000	430559
16/09/2022	1570	2200	1570	-450	12100	430774
09/09/2022	2442	1850	-1768	-1600	12100	429633
02/09/2022	8845	-1900	333	-1900	12100	427191
26/08/2022	-3326	-950	-1172	-1000	12100	418346
19/08/2022	-3282	-2500	-27	-1500	12000	421672

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
11/12/2022 02:00	Baker Hughes U.S. Rig Count	Nov-11	--	779
11/12/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-11	--	155
11/12/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-11	--	622
11/16/2022 23:30	DOE U.S. Crude Oil Inventories	Nov-11	--	3925k
11/16/2022 23:30	DOE Cushing OK Crude Inventory	Nov-11	--	-923k
11/16/2022 23:30	DOE U.S. Gasoline Inventories	Nov-11	--	-900k
11/16/2022 23:30	DOE U.S. Distillate Inventory	Nov-11	--	-521k
11/16/2022 23:30	DOE U.S. Refinery Utilization	Nov-11	--	1.50%
11/16/2022 23:30	DOE Crude Oil Implied Demand	Nov-11	--	17993
11/16/2022 23:30	DOE Gasoline Implied Demand	Nov-11	--	10003.3
11/16/2022 23:30	DOE Distillate Implied Demand	Nov-11	--	5606.4
11/17/2022 23:30	EIA Natural Gas Storage Change	Nov-11	--	79
11/17/2022 23:30	EIA Working Natural Gas Implied Flow	Nov-11	--	79

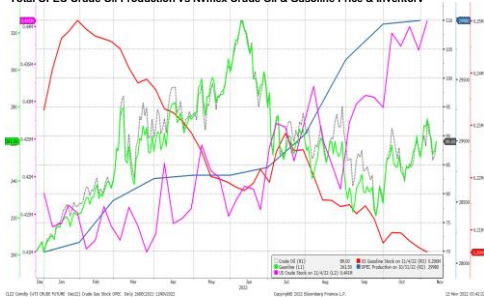
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



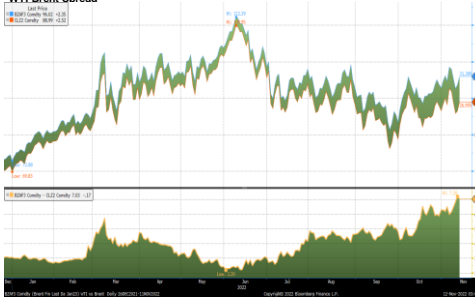
Normalized RBOB Gasoline minus Nymex Crude Oil Price



Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



Nymex RBOB Gasoline Daily Chart



Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil

1st Resistance:	90.29	2nd Resistance:	91.63
1st Support:	87.63	2nd Support:	86.29
MACD:	0.830		
MACD DIFF:	-0.081		
RSI:	53.472		

Natural Gas

1st Resistance:	5.967	2nd Resistance:	6.055
1st Support:	5.791	2nd Support:	5.703
MACD:	-0.228		
MACD DIFF:	0.067		
RSI:	44.956		

Gasoline	1st Resistance:	264.87	2nd Resistance:	268.79
	1st Support:	257.05	2nd Support:	253.13
	MACD:	4.355		
	MACD DIFF:	-0.513		
	RSI:	55.487		

Heating Oil

1st Resistance:	360.86	2nd Resistance:	366.20
1st Support:	350.20	2nd Support:	344.86
MACD:	4.593		
MACD DIFF:	-2.306		
RSI:	47.853		

Brent Fin Last Day

1st Resistance:	97.43	2nd Resistance:	98.87
1st Support:	94.55	2nd Support:	93.11
MACD:	1.257		
MACD DIFF:	-0.028		
RSI:	55.972		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	87.63	86.50	87.19	86.29	87.15	85.86	90.29	89.39	90.75	91.63	90.71	92.09
Natural Gas	5.791	5.849	5.762	5.703	5.760	5.674	5.967	5.908	5.997	6.055	5.995	6.086
Gasoline	257.05	259.62	255.76	253.13	255.66	251.87	264.87	262.23	266.20	268.79	266.10	270.13
Heating Oil	350.20	353.70	348.45	344.86	348.31	343.14	360.86	357.25	362.67	366.20	362.53	368.03
Brent Fin Last Day	94.55	95.50	94.06	93.11	94.04	92.64	97.43	96.46	97.92	98.87	97.88	99.36

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