

Fundamentals:

Oil prices settled up by more than 5% on Friday amid uncertainty around future interest rate hikes by the U.S. Federal Reserve, while a looming EU ban on Russian oil and the possibility of China easing some COVID restrictions supported markets.

Though fears of global recession capped gains, Brent crude futures settled up \$3.99 to \$98.57 per barrel, a weekly gain of 2.9%.

U.S. West Texas Intermediate (WTI) crude futures were up \$2.96, or 5%, at \$92.61, a 4.7% weekly gain.

China is sticking to its strict COVID-19 curbs after cases rose on Thursday to their highest since August, but a former Chinese disease control official said substantial changes to the country's COVID-19 policy are to take place soon.

China's stock markets have been buoyed this week by the rumours of an end to stringent lockdowns despite the lack of any announced changes.

However, signals about the size of U.S. interest rate hikes caused oil to pare some gains.

The U.S. Labor Department's non-farm payrolls report on Friday showed a rise in the unemployment rate to 3.7% last month from 3.5% in September, suggesting some loosening in labor market conditions that could give the Fed cover to shift towards smaller rate increases.

Richmond Federal Reserve President Thomas Barkin on Friday said he is ready to act more "deliberately" on consideration of the pace of future U.S. interest rate hikes, but said rates could continue rising for longer and to a higher end point than previously expected.

While demand concerns weighed on the market, supply is expected to remain tight because of Europe's planned embargoes on Russian oil and a slide in U.S. crude stockpiles.

The EU ban on Russian crude imports is due to take effect from Dec. 5. Details of G7 price cap aimed at alleviating constraints on Russian flows outside the EU are still under discussion.

On the bearish side, fears of a recession in the United States, the world's biggest oil consumer, grew on Thursday after Fed Chairman Jerome Powell said it was "very premature" to be thinking about pausing interest rate hikes.

The Bank of England warned on Thursday that it thinks Britain has entered a recession and the economy might not grow for another two years.

Underscoring demand concerns, Saudi Arabia lowered December official selling prices (OSPs) for its flagship Arab Light crude to Asia by 40 cents to a premium of \$5.45 a barrel versus the Oman-Dubai average.

The cut was in line with trade sources' forecasts, which were based on a weaker outlook for Chinese demand.

Looking into next week, investors are awaiting the U.S. Energy Information Administration's short-term energy outlook and the November U.S. Consumer Price Index for insight on the pace of inflation.

U.S. natural gas futures jumped about 7% to a three-week high on Friday at the end of an extremely volatile week of trade or forecasts for much colder weather and higher heating demand in mid-November than previously expected.

Futures also gained support from a drop in output so far this month and expectations the Freeport liquefied natural gas (LNG) export plant in Texas would return to service soon, according to traders.

In what has already been an extremely volatile week, front-month gas futures rose 42.5 cents, or 7.1%, to settle at \$6.400 per million British thermal units (mmBtu), the highest close since Oct. 14. That follows a rise of 12% on Monday, a drop of 10% on Tuesday, a rise of 10% on Wednesday, and a drop of 5% on Thursday.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	DEC 22 92.61	4.30	92.87	87.82
Natural Gas	DEC 22 6.400	0.489	6.510	5.893
RB Gasoline	DEC 22 273.48	4.24	281.72	268.42
Heating Oil	DEC 22 391.48	4.00	395.65	382.23
Brent Fin Last Dav	JAN 23 98.52	3.85	98.82	94.34
US Dollar Index	110.77	-2.159	112.993	110.715

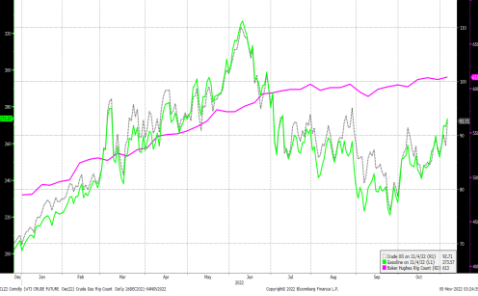
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
28/10/2022	-3115	-200	-1257	-1000	11900	436930
21/10/2022	2588	1500	-1478	-1500	12000	439945
14/10/2022	-1725	2500	-114	-2000	12000	437357
07/10/2022	9879	1000	2022	-2000	11900	439082
30/09/2022	-1356	1800	-4728	-1100	12000	439203
23/09/2022	-215	2000	-2422	500	12000	430559
16/09/2022	1141	2200	1570	-450	12100	430774
09/09/2022	-1768	1850	-1768	-1600	12100	429633
02/09/2022	8845	-1900	333	-1900	12100	427191
26/08/2022	-3526	-950	-1172	-1000	12100	418346
19/08/2022	-3282	-2500	-27	-1500	12000	421672
12/08/2022	-7056	800	-4642	-1000	12100	424954

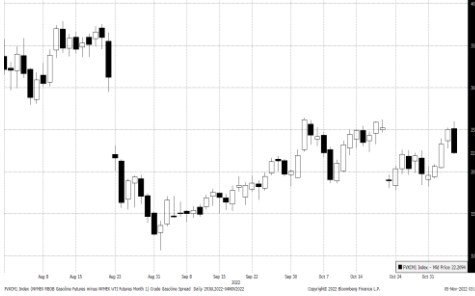
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
11/05/2022 01:00	Baker Hughes U.S. Rig Count	Nov-04	--	770
11/05/2022 01:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-04	--	155
11/05/2022 01:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-04	--	613
11/08/2022 01:00	STEO Current Yr Crude Forecast	Nov	--	11.75
11/08/2022 01:00	STEO Fwd Yr Crude Forecast	Nov	--	12.36
11/08/2022 01:00	STEO Curr Yr Dry Nat Gas Forecast	Nov	--	97.56
11/08/2022 01:00	STEO Fwd Yr Dry Nat Gas Forecast	Nov	--	99.63
11/09/2022 23:30	DOE U.S. Crude Oil Inventories	Nov-04	--	-3115k
11/09/2022 23:30	DOE Cushing OK Crude Inventory	Nov-04	--	1267k
11/09/2022 23:30	DOE U.S. Gasoline Inventories	Nov-04	--	-1257k
11/09/2022 23:30	DOE U.S. Distillate Inventory	Nov-04	--	427k
11/09/2022 23:30	DOE U.S. Refinery Utilization	Nov-04	--	1.70%
11/09/2022 23:30	DOE Crude Oil Implied Demand	Nov-04	--	18550
11/09/2022 23:30	DOE Gasoline Implied Demand	Nov-04	--	9496.7
11/09/2022 23:30	DOE Distillate Implied Demand	Nov-04	--	5177

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



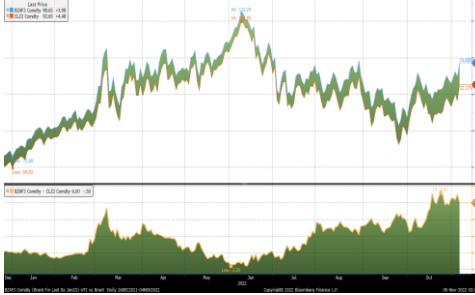
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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:	94.00	2nd Resistance:	95.39
1st Support:	91.22	2nd Support:	89.83
MACD:	1.247		
MACD DIFF:	0.566		
RSI:	61.958		

Natural Gas

1st Resistance:	6.496	2nd Resistance:	6.592
1st Support:	6.304	2nd Support:	6.208
MACD:	-0.325		
MACD DIFF:	0.097		
RSI:	49.542		

Gasoline	277.58	2nd Resistance:	281.68
1st Support:	269.38	2nd Support:	265.28
MACD:	6.546		
MACD DIFF:	2.059		
RSI:	66.010		

Heating Oil

1st Resistance:	397.35	2nd Resistance:	403.22
1st Support:	385.61	2nd Support:	379.74
MACD:	9.153		
MACD DIFF:	1.808		
RSI:	65.427		

Brent Fin Last Day

1st Resistance:	100.00	2nd Resistance:	101.48
1st Support:	97.04	2nd Support:	95.56
MACD:	1.593		
MACD DIFF:	0.551		
RSI:	63.941		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	91.22	92.13	90.76	89.83	90.73	89.38	94.00	93.06	94.47	95.39	94.43	95.67
Natural Gas	6.304	6.367	6.272	6.208	6.270	6.177	6.496	6.431	6.528	6.592	6.526	6.625
Gasoline	269.38	272.07	268.03	265.28	267.93	263.95	277.58	274.81	278.97	281.68	278.87	283.09
Heating Oil	385.61	389.46	383.68	379.74	383.53	377.84	397.35	393.38	399.34	403.22	399.19	405.24
Brent Fin Last Day	97.04	98.01	96.56	95.56	96.52	95.09	100.00	99.00	100.50	101.48	100.46	101.98

Source: Bloomberg

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