

Fundamentals:

OIL settled up more than \$2 on Wednesday after OPEC and the International Energy Agency (IEA) forecast a rebound in demand over the course of next year and as U.S. interest rate hikes are expected to ease further alongside slowing inflation.

Brent crude futures settled up \$2.02, or 2.4%, to \$82.70 per barrel, while U.S. West Texas Intermediate (WTI) crude futures settled up \$1.94 to \$77.28.

Both contracts rose on a surge in diesel futures ahead of cold weather expected towards the end of the year.

The Brent contract has returned to a backwardated market structure whereby front-month loading barrels trade higher than later deliveries, which indicates worries about oversupply are subsiding. The structure had dipped into contango last week, with front-month deliveries cheaper than later-loading ones.

Oil prices have been supported by a leak and outage of TC Energy Corp's Keystone Pipeline, which ships 620,000 barrels per day of Canadian crude to the United States.

Officials said the clean-up will take at least several weeks.

Sending bearish signals, U.S. crude oil stockpiles rose by more than 10 million barrels last week, the most since March 2021, buoyed by releases from the Strategic Petroleum Reserve and as refiners reduced activity.

Looking into 2023, OPEC said it expects oil demand to grow by 2.25 million barrels per day (bpd) over next year to 101.8 million bpd, with potential upside from China, the world's top importer.

The IEA, seeing Chinese oil demand recovering next year after a 400,000-bpd contraction in 2022, raised its 2023 oil demand growth estimate to 1.7 million bpd for a total of 101.6 million bpd.

Road and air traffic in China have rebounded sharply, data suggests.

The Federal Reserve raised its benchmark overnight interest rate by 50 basis points on Wednesday, a downshift from the 75-basis-point hikes it had delivered at its last four policy meetings.

U.S. natural gas futures dropped about 7% on Wednesday on forecasts for less cold weather than previously expected in late December and after failing to break through a key level of technical price resistance for a third day in a row.

In the spot market, meanwhile, U.S. West Coast power and gas prices have almost tripled over the past couple of weeks and were on track to hit multiyear annual highs as freezing weather and snow blankets parts of California and gas pipeline outages and constraints limit flows into the region.

Futures prices fell even though output was on track to drop to a two-month low as extreme cold from North Dakota to Texas caused some oil and gas wells to freeze.

That cold weather should force utilities to pull more gas from storage than usual in coming weeks. Gas stockpiles were about 1.6% below the five-year (2017-2021) average for this time of year.

Front-month gas futures fell 50.5 cents, or 7.3%, to settle at \$6.430 per million British thermal units (MMBtu).

Traders said the biggest uncertainty for the market remains whether Freeport LNG would restart its liquefied natural gas (LNG) export plant in Texas at the end of the year. Demand for gas will jump once the plant, which can turn 2.1 billion cubic feet per day (bcfd) of gas into LNG, returns to service.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil JAN 23	77.28	2.02	77.75	74.90
Natural Gas JAN 23	6.430	-0.577	6.961	6.337
RB Gasoline JAN 23	224.44	8.58	225.24	214.77
Heating Oil JAN 23	327.68	17.45	328.48	308.20
Brent Fin Last Day FEB 23	82.83	2.15	83.14	80.13
US Dollar Index	103.63	-0.353	104.163	103.448

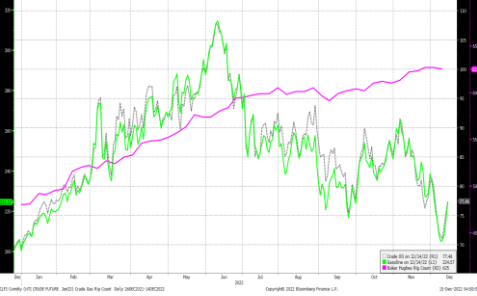
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
09/12/2022	10231	-3500	4496	2500	12100	424129
02/12/2022	-5186	-3418	5319	2474	12200	418998
25/11/2022	-12581	-3123	2770	2250	12100	419084
18/11/2022	-3690	-2614	3058	1160	12100	431665
11/11/2022	-5400	-1900	2207	200	12100	435355
04/11/2022	3925	250	-900	-1450	12100	440755
28/10/2022	-3115	-200	-1257	-1000	11900	436830
21/10/2022	-1478	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	19000	-4728	-1100	12000	429203
23/09/2022	-215	2000	-2422	500	12000	430559

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior	
12/14/2022 23:30	DOE U.S. Crude Oil Inventories	Dec-09	-3500k	10231k	-5186k
12/14/2022 23:30	DOE Cushing OK Crude Inventory	Dec-09	--	426k	-373k
12/14/2022 23:30	DOE U.S. Gasoline Inventories	Dec-09	2500k	4496k	5319k
12/14/2022 23:30	DOE U.S. Distillate Inventory	Dec-09	2500k	1364k	6155k
12/14/2022 23:30	DOE U.S. Refinery Utilization	Dec-09	0.00%	-3.30%	0.30%
12/14/2022 23:30	DOE Crude Oil Implied Demand	Dec-09	--	17505	18953
12/14/2022 23:30	DOE Gasoline Implied Demand	Dec-09	--	9457.9	9370
12/14/2022 23:30	DOE Distillate Implied Demand	Dec-09	--	5250.1	4824.1
12/15/2022 23:30	EIA Natural Gas Storage Change	Dec-09	-51	--	-21
12/15/2022 23:30	EIA Working Natural Gas Implied Flow	Dec-09	-51	--	-21
12/17/2022 02:00	Baker Hughes U.S. Rig Count	Dec-16	--	--	780
12/17/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-16	--	--	153
12/17/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-16	627	--	625

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



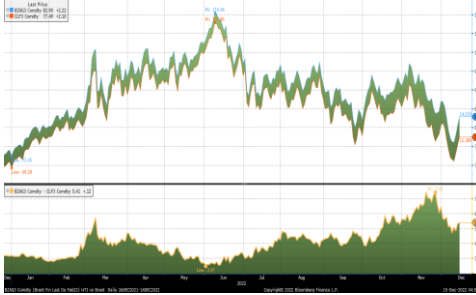
Normalized ROBO Gasoline minus Nymex Crude Oil Price



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:	78.44	2nd Resistance:	79.60
1st Support:	76.12	2nd Support:	74.96
MACD:	-2.612		
MACD DIFF:	-0.026		
RSI:	47.252		

Natural Gas

1st Resistance:	6.526	2nd Resistance:	6.623
1st Support:	6.334	2nd Support:	6.237
MACD:	-0.116		
MACD DIFF:	0.007		
RSI:	47.665		

Gasoline	1st Resistance:	227.81	2nd Resistance:	231.17
	1st Support:	221.07	2nd Support:	217.71
	MACD:	-8.270		
	MACD DIFF:	-0.591		
	RSI:	47.431		

Heating Oil

1st Resistance:	332.60	2nd Resistance:	337.51
1st Support:	322.76	2nd Support:	317.85
MACD:	-10.824		
MACD DIFF:	0.754		
RSI:	52.904		

Brent Fin Last Day

1st Resistance:	84.07	2nd Resistance:	85.31
1st Support:	81.59	2nd Support:	80.35
MACD:	-2.849		
MACD DIFF:	-0.170		
RSI:	46.466		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	76.12	76.88	75.74	74.96	75.71	74.59	78.44	77.65	78.83	79.60	78.80	80.00
Natural Gas	6.334	6.397	6.302	6.237	6.299	6.206	6.526	6.461	6.559	6.623	6.557	6.656
Gasoline	221.07	223.28	219.97	217.71	219.88	216.62	227.81	225.53	228.95	231.17	228.86	232.33
Heating Oil	322.76	325.99	321.15	317.85	321.03	316.26	332.60	329.27	334.26	337.51	334.14	339.20
Brent Fin Last Day	81.59	82.40	81.18	80.35	81.15	79.94	84.07	83.23	84.49	85.31	84.46	85.74

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