

Fundamentals:
Fears of a global economic slowdown pushed oil prices lower, outweighing news that the Biden administration will start buying crude to replenish strategic reserves.
West Texas Intermediate fell 2.4% to settle around \$74 a barrel on Friday. Oil fell in tandem with broader markets as apprehension grows the resolve of central banks to fight against inflation will tip economies into recession. Adding more weight to prices, portions of the Keystone pipeline have resumed flows at reduced pressure, supplying Canadian crude to US Midwest refineries.
Oil's historic volatility this year has carried into the end of the year with crude shedding almost \$20 in the past two months. Bulls fled from positions as slack demand for physical barrels and unexpectedly resilient Russian supplies weighed on prompt prices for benchmark crude. While the outlook brightened somewhat in recent days as US inflation figures slowed and China looked set to reopen its economy, central banks' determination to stick to higher interest rates quashed optimism.

The sustained dip into the \$70 range prompted the Biden administration to make good on its promise to replenish the nation's emergency oil reserves, starting with a three million barrel purchase of crude for February. The plan briefly jolted oil prices but was quickly digested by the market with the 3 million barrel purchase palling in comparison to the 180 million that were released.

WTI for January delivery fell \$1.82 to \$74.29 a barrel in New York. Brent for February settlement dropped fell \$2.17 to \$79.04 a barrel.

Natural gas declined to the lowest level in a month as the winter's first cold wave neared an end, while European Union leaders pushed for a deal on capping prices.

Benchmark futures plunged 14% on Friday, pushing them to a weekly drop after four straight increases. The chill has forced gas draws from storage to meet rising demand, but reserves remain fuller than normal. Germany's economy ministry said it wasn't concerned with the pace, and that security of supply was assured.

Inflows of liquefied natural gas are at the highest level for the time of the year, further cushioning the impact of the wintry weather. Demand could ease with wind power generation forecast to increase in coming days in Britain and Germany, while milder temperatures early next week will also bring some respite before another cold spell around Christmas.

To contain the energy crisis that has engulfed the economy and put an end to months of political wrangling, EU leaders on Thursday backed a quick agreement for a controversial gas-price cap. They called on ministers to finalize the plan, along with a package of other measures, during a meeting set for Monday. The key sticking point of the level of the price cap still needs to be resolved.

Dutch front-month gas futures, a European benchmark, settled at €115.45 a megawatt-hour, the lowest since Nov. 17. The UK equivalent contract dropped 1.4% and posted a weekly loss.

US natural gas prices slumped as traders shed bullish bets amid forecasts for less frigid weather than previously expected.

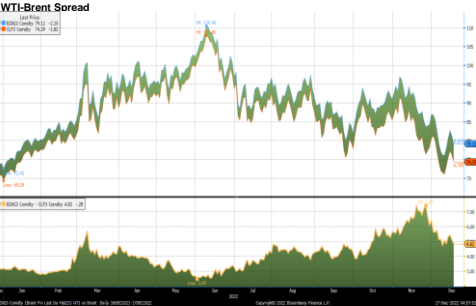
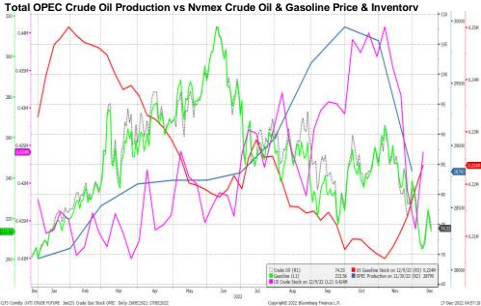
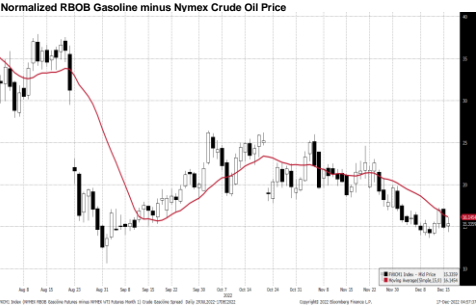
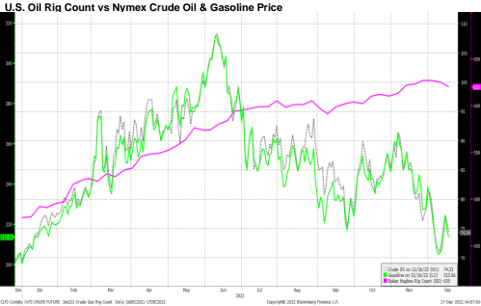
Gas for January delivery settled down 5.3% at \$6.60 per mmbtu in New York. Front-month futures gained 5.7% over the past five sessions, snapping a two-week losing streak.

(Source: Bloomberg)

Energy Table				
Contract		Sett	Chg	High Low
Nymex Crude Oil	JAN 23	74.29	-1.68	76.57 73.33
Natural Gas	JAN 23	6.600	-0.374	6.888 6.219
RB Gasoline	JAN 23	213.23	-2.83	219.00 210.13
Heating Oil	JAN 23	311.99	-15.19	329.63 311.16
Brent Fin Last Day	FEB 23	79.12	-2.09	81.76 78.28
US Dollar Index		104.80	0.243	104.818 104.21

Bloomberg Survey on U.S. Total Change in Inventories				
Date	Crude Oil		Gasoline	
	Actual	Survey	Actual	Survey
09/12/2022	10231	-3500	4496	2500
02/12/2022	-5186	-3418	5319	2474
25/11/2022	-12581	-3123	2770	2250
18/11/2022	-3690	-2614	3058	1150
11/11/2022	-5400	-1900	2207	200
04/11/2022	3925	250	-900	-1450
28/10/2022	-3115	-200	-1257	-1000
21/10/2022	-1478	1500	-1478	-1500
14/10/2022	-1725	2500	-114	-2000
07/10/2022	9879	1000	2022	-2000
30/09/2022	-1356	1800	-4728	-1100
23/09/2022	-215	2000	-2422	500

Fundamental Data:				
Event		Period	Avg Survey	Actual Prior
12/17/2022 02:00	Baker Hughes U.S. Rig Count	Dec-16	--	776 780
12/17/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-16	--	154 153
12/17/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-16	627	620 625
12/21/2022 23:30	DOE U.S. Crude Oil Inventories	Dec-16	--	-- 10231k
12/21/2022 23:30	DOE Cushing OK Crude Inventory	Dec-16	--	-- 426k
12/21/2022 23:30	DOE U.S. Gasoline Inventories	Dec-16	--	-- 4496k
12/21/2022 23:30	DOE U.S. Distillate Inventory	Dec-16	--	-- 1364k
12/21/2022 23:30	DOE U.S. Refinery Utilization	Dec-16	--	-- -3.30%
12/21/2022 23:30	DOE Crude Oil Implied Demand	Dec-16	--	-- 17505
12/21/2022 23:30	DOE Gasoline Implied Demand	Dec-16	--	-- 9457.9
12/21/2022 23:30	DOE Distillate Implied Demand	Dec-16	--	-- 5250.1
12/22/2022 23:30	EIA Natural Gas Storage Change	Dec-16	--	-- -50
12/22/2022 23:30	EIA Working Natural Gas Implied Flow	Dec-16	--	-- -50
12/24/2022 02:00	Baker Hughes U.S. Rig Count	Dec-23	--	-- 776
12/24/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-23	--	-- 154
12/24/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-23	--	-- 620



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:	75.40	2nd Resistance:	76.52
1st Support:	73.18	2nd Support:	72.06
MACD:	-2.348		
MACD DIFF:	0.163		
RSI:	41.448		

Natural Gas

1st Resistance:	6.699	2nd Resistance:	6.798
1st Support:	6.501	2nd Support:	6.402
MACD:	-0.049		
MACD DIFF:	0.049		
RSI:	50.152		

Gasoline

1st Resistance:	216.43	2nd Resistance:	219.63
1st Support:	210.03	2nd Support:	206.83
MACD:	-7.717		
MACD DIFF:	0.006		
RSI:	40.705		

Heating Oil

1st Resistance:	316.67	2nd Resistance:	321.35
1st Support:	307.31	2nd Support:	302.63
MACD:	-7.563		
MACD DIFF:	2.684		
RSI:	47.406		

Brent Fin Last Day

1st Resistance:	80.31	2nd Resistance:	81.49
1st Support:	77.93	2nd Support:	76.75
MACD:	-2.637		
MACD DIFF:	0.032		
RSI:	39.310		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	73.18	73.91	72.81	72.06	72.78	71.70	75.40	74.65	75.78	76.52	75.75	76.90
Natural Gas	6.501	6.566	6.468	6.402	6.466	6.370	6.699	6.632	6.732	6.798	6.730	6.832
Gasoline	210.03	212.13	208.98	206.83	208.90	205.80	216.43	214.26	217.51	219.63	217.43	220.73
Heating Oil	307.31	310.38	305.77	302.63	305.66	301.12	316.67	313.50	318.25	321.35	318.14	322.96
Brent Fin Last Day	77.93	78.71	77.54	76.75	77.51	76.36	80.31	79.50	80.71	81.49	80.68	81.90

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