

Fundamentals:

Oil prices rose on Monday, as optimism around China relaxing its COVID-19 restrictions outweighed fears of a global recession that would weigh on energy demand.
China, the world's top crude oil importer, is experiencing its first of three expected waves of COVID-19 cases after Beijing relaxed mobility restrictions but said it plans to step up support for the economy in 2023.

Brent crude gained 76 cents to settle at \$79.80 a barrel, while U.S. West Texas Intermediate crude rose 90 cents to \$75.19.

Prices pared gains earlier before rising again in a volatile session.

Oil surged toward its record high of \$147 a barrel earlier in the year after Russia invaded Ukraine in February. It has since unwound most of this year's gains as supply concerns were edged out by recession fears.

European Union energy ministers on Monday agreed to a gas price cap, after weeks of talks on the emergency measure that has split opinion across the bloc as it seeks to tame the energy crisis.

The cap can be triggered starting from Feb. 15 2023, the document detailing the final deal showed. The deal will be formally approved by countries in writing, after which it can enter into force.

The U.S. Federal Reserve and European Central Bank raised interest rates last week and promised more. The Bank of Japan, meanwhile, could shift its ultra-dovish stance when it meets on Monday and Tuesday.

Oil was supported by the U.S. Energy Department saying on Friday that it will begin repurchasing crude for the Strategic Petroleum Reserve - the first purchases since releasing a record 180 million barrels from the reserve this year.

U.S. natural gas futures dropped 11% on Monday on forecasts for less cold weather than previously expected over the next two weeks that will likely reduce heating demand.
Front-month gas futures fell 74.9 cents, or 11.3%, to settle at \$5.851 per million British thermal units (mmbtu), the lowest level since Dec. 9.

Data provider Refinitiv forecast 423 heating degree days (HDDs), which are used to estimate demand to heat homes and businesses, over the next two weeks in the Lower 48 U.S. states, which is lower than the outlook on Friday.

There's still uncertainty as to when the Freeport plant would restart, Flynn added.

Freeport shut on June 8 after a pipe failure caused an explosion due to inadequate operating and testing procedures, human error and fatigue, according to a report by consultants hired to review the incident and suggest action.

After several delays from October to November to December, the company now says the plant is on track to restart by the end of the year.

Many analysts, however, do not expect Freeport to return until the first quarter of 2023 because the company still has a lot of work to do to satisfy federal regulators before the plant is ready to restart.

Once Freeport returns, demand for gas will jump. The plant can turn about 2.1 billion cubic feet per day (bcfd) of gas into LNG for export, which is about 2% of U.S. daily production.

Gas futures were up about 62% so far this year as much higher global prices feed demand for U.S. exports due to supply disruptions and sanctions linked to Russia's war in Ukraine.

Gas was trading at \$32 per mmbtu at the Dutch Title Transfer Facility (TTF) in Europe and \$36 at the Japan Korea Market (JKM) in Asia.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil JAN 23	75.19	1.43	76.41	73.81
Natural Gas JAN 23	5.851	-0.767	6.275	5.765
RB Gasoline JAN 23	217.76	5.07	219.52	213.12
Heating Oil JAN 23	305.35	-3.69	317.12	305.03
Brent Fin Last Day FEB 23	80.27	1.23	80.89	78.63
US Dollar Index	104.70	-0.002	104.931	104.134

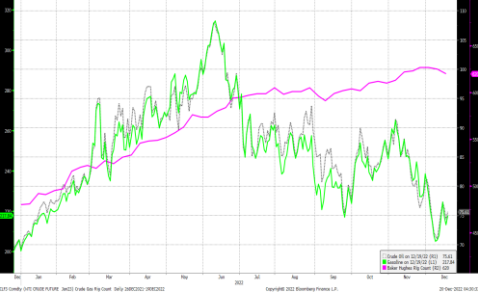
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil Inventory	
	Actual	Survey	Actual	Survey	Production	Inventory
09/12/2022	10231	-3500	4496	2500	12100	424129
02/12/2022	-5186	-3418	5319	2474	12200	413898
25/11/2022	-12581	-3123	2770	2250	12100	419084
18/11/2022	-3690	-2614	3058	1150	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
12/21/2022 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

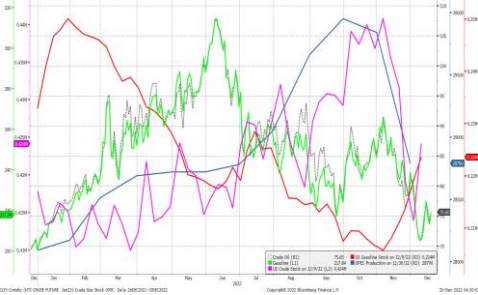
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



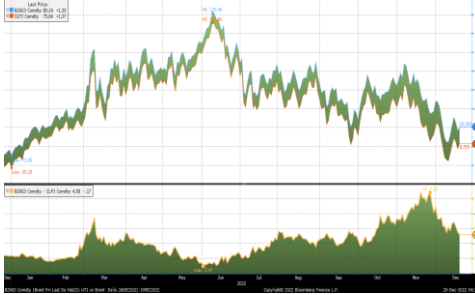
Normalized ROBO Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg

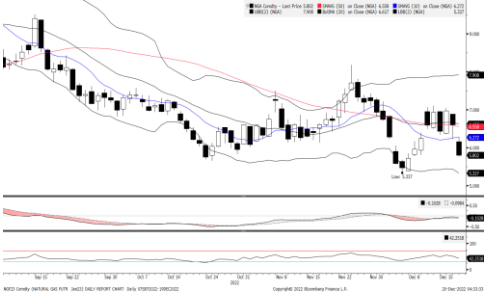
Nymex Crude Daily Chart



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:	76.32	2nd Resistance:	77.45
1st Support:	74.06	2nd Support:	72.93
MACD:	-2.180		
MACD DIFF:	0.267		
RSI:	44.793		

Natural Gas

1st Resistance:	5.939	2nd Resistance:	6.027
1st Support:	5.763	2nd Support:	5.675
MACD:	-0.100		
MACD DIFF:	-0.002		
RSI:	42.513		

Gasoline	221.03	2nd Resistance:	224.29
1st Resistance:	214.49	2nd Support:	211.23
MACD:	-7.175		
MACD DIFF:	0.446		
RSI:	44.513		

Heating Oil

1st Resistance:	309.93	2nd Resistance:	314.51
1st Support:	300.77	2nd Support:	296.19
MACD:	-7.343		
MACD DIFF:	2.339		
RSI:	45.596		

Brent Fin Last Day

1st Resistance:	81.47	2nd Resistance:	82.68
1st Support:	79.07	2nd Support:	77.86
MACD:	-2.503		
MACD DIFF:	0.133		
RSI:	42.425		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	74.06	74.80	73.69	72.93	73.66	72.57	76.32	75.55	76.70	77.45	76.67	77.83
Natural Gas	5.763	5.821	5.734	5.675	5.732	5.647	5.939	5.879	5.968	6.027	5.966	6.057
Gasoline	214.49	216.64	213.42	211.23	213.34	210.17	221.03	218.82	222.13	224.29	222.05	225.41
Heating Oil	300.77	303.78	299.27	296.19	299.15	294.71	309.93	306.83	311.48	314.51	311.37	316.08
Brent Fin Last Day	79.07	79.86	78.67	77.86	78.64	77.47	81.47	80.66	81.88	82.68	81.85	83.09

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