

Fundamentals:

Oil prices fell over 3% on Monday, following U.S. stock markets lower, after U.S. service sector data raised worries that the Federal Reserve could continue its aggressive policy tightening path.

Brent crude futures settled down \$2.89, or 3.45%, at \$82.68 a barrel. West Texas Intermediate crude (WTI) fell \$3.05, or 3.8%, to \$76.93 a barrel. Both benchmarks had earlier risen more than 2% before reversing direction.

During the session, WTI's front-month contract began trading lower than prices in half a year, a market structure called contango, which implies oversupply.

U.S. services industry activity unexpectedly picked up in November, with employment rebounding, offering more evidence of underlying momentum in the economy as it braces for an anticipated recession next year.

The news caused oil and stock markets to pare gains.

The data challenges hopes that the Fed might slow the pace and intensity of its rate hikes amid recent signs of ebbing inflation.

Supporting the market earlier, the Organization of the Petroleum Exporting Countries and allies including Russia, together called OPEC+, agreed on Sunday to stick to their October plan to cut output by 2 million barrels per day (bpd) from November through 2023.

The Group of Seven (G7) countries and Australia last week agreed on a \$60 a barrel price cap on seaborne Russian oil.

At the same time, in a positive sign for fuel demand in the world's top oil importer, more Chinese cities eased COVID curbs over the weekend.

Business and manufacturing activity in China, the world's second-largest economy, have been hit this year by strict measures to curb the spread of the coronavirus.

U.S. natural gas futures extended a sell-off and fell more than 10% on Monday as forecasts for milder weather cast a shadow on demand outlook, hurt by the delayed restart of the Freeport liquefied natural gas (LNG) export plant.

Front-month gas futures for January delivery shed 70.4 cents, or 11.2%, to settle at \$5.577 per million British thermal units, having touched its lowest level since the end of October at \$5.536.

Freeport LNG on Friday again delayed the restart of the second-biggest U.S. LNG export facility, moving its forecast for resuming processing to year end, pending regulatory approval.

The delay is further curtailing gas demand from the export sector, energy consulting firm Ritterbusch and Associates said in a note.

The Freeport plant, which can convert about 2.1 billion cubic feet per day (bcfd) of gas into LNG, shut on June 8 due to an explosion caused by inadequate operating and testing procedures, human error and fatigue, according to a report by consultants hired by the company to review the incident and propose corrective actions.

European natural gas prices slipped as fuller-than-normal winter reserves help offset worries about a demand jump driven by frigid weather.

Benchmark futures settled 0.6% lower after gaining as much as 9.2% earlier on Monday. Unseasonably cold temperatures in northwest Europe are testing the region's ability to withstand this winter without normal flows from its former top gas provider, Russia. Gas stockpiles are slowly declining as heating demand jumps, but reserves are higher than usual for this time of year, around 52% on average for the continent.

Dutch front-month gas futures, Europe's benchmark, closed at €134.699 a megawatt-hour. The UK equivalent contract was down 0.3%, also erasing initial gains.

(Source: Reuters, Bloomberg)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	JAN 23	76.93	-2.59	82.72	76.77
Natural Gas	JAN 23	5.577	-0.656	6.052	5.556
RB Gasoline	JAN 23	230.19	-6.39	234.80	219.62
Heating Oil	JAN 23	299.98	-16.06	323.82	298.23
Brent Fin Last Day	FEB 23	83.05	-2.52	88.43	82.54
US Dollar Index		105.31	0.760	105.399	104.113

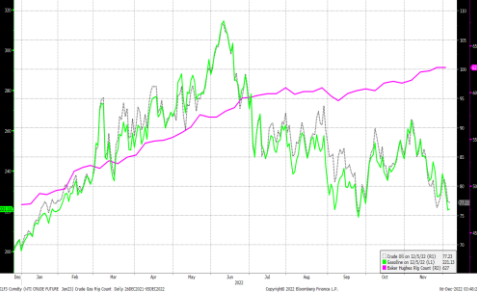
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil Inventory	
	Actual	Survey	Actual	Survey	Production	Inventory
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	2588	1500	-1478	-1500	12000	430945
14/10/2022	-1725	2500	-114	-2000	12000	437357
07/10/2022	2022	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	1141	2200	1570	-450	12100	430774
09/09/2022	2442	1850	-1768	-1600	12100	429633

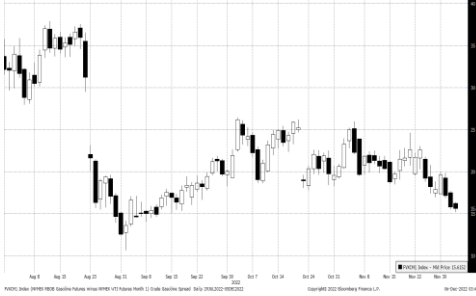
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
12/07/2022 01:00	STEO Current Yr Crude Forecast	Dec	--	11.83
12/07/2022 01:00	STEO Fwd Yr Crude Forecast	Dec	--	12.31
12/07/2022 01:00	STEO Curr Yr Dry Nat Gas Forecast	Dec	--	98.07
12/07/2022 01:00	STEO Fwd Yr Dry Nat Gas Forecast	Dec	--	99.69
12/07/2022 23:30	DOE U.S. Crude Oil Inventories	Dec-02	--	-12581k
12/07/2022 23:30	DOE Cushing OK Crude Inventory	Dec-02	--	-415k
12/07/2022 23:30	DOE U.S. Gasoline Inventories	Dec-02	--	2770k
12/07/2022 23:30	DOE U.S. Distillate Inventory	Dec-02	--	3547k
12/07/2022 23:30	DOE U.S. Refinery Utilization	Dec-02	--	1.30%
12/07/2022 23:30	DOE Crude Oil Implied Demand	Dec-02	--	19934
12/07/2022 23:30	DOE Gasoline Implied Demand	Dec-02	--	9455.3
12/07/2022 23:30	DOE Distillate Implied Demand	Dec-02	--	4956.3
12/08/2022 23:30	EIA Natural Gas Storage Change	Dec-02	--	-81
12/08/2022 23:30	EIA Working Natural Gas Implied Flow	Dec-02	--	-81
12/10/2022 02:00	Baker Hughes U.S. Rig Count	Dec-09	--	784
12/10/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-09	--	155
12/10/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-09	--	627

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

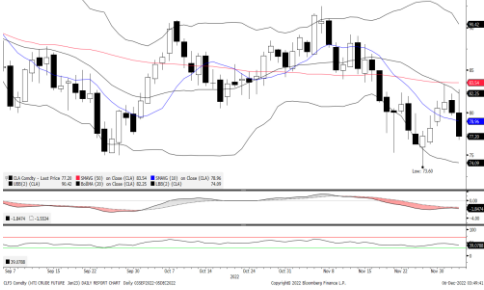


WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



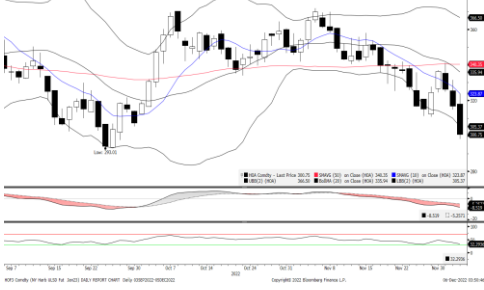
Nymex RBOB Gasoline Daily Chart



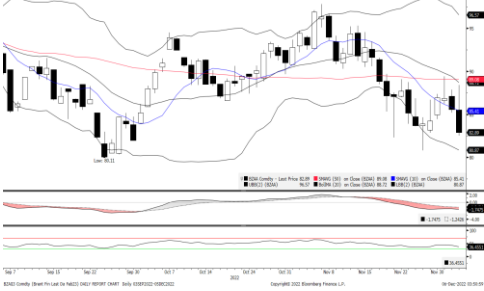
Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil

1st Resistance:	78.08	2nd Resistance:	79.24
1st Support:	75.78	2nd Support:	74.62
MACD:	-1.833		
MACD DIFF:	-0.282		
RSI:	39.395		

Heating Oil

1st Resistance:	304.48	2nd Resistance:	308.98
1st Support:	295.48	2nd Support:	290.98
MACD:	-8.514		
MACD DIFF:	-3.260		
RSI:	32.311		

Natural Gas

1st Resistance:	5.661	2nd Resistance:	5.744
1st Support:	5.493	2nd Support:	5.410
MACD:	-0.071		
MACD DIFF:	-0.101		
RSI:	35.408		

Gasoline

1st Resistance:	223.49	2nd Resistance:	226.80
1st Support:	216.89	2nd Support:	213.58
MACD:	-5.124		
MACD DIFF:	-1.908		
RSI:	36.900		

Brent Fin Last Day

1st Resistance:	84.30	2nd Resistance:	85.54
1st Support:	81.80	2nd Support:	80.56
MACD:	-1.735		
MACD DIFF:	-0.494		
RSI:	36.738		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	75.78	76.53	75.40	74.62	75.37	74.25	78.08	77.30	78.47	79.24	78.45	79.63
Natural Gas	5.493	5.548	5.466	5.410	5.464	5.383	5.661	5.604	5.689	5.744	5.687	5.773
Gasoline	216.89	219.06	215.80	213.58	215.72	212.52	223.49	221.26	224.61	226.80	224.53	227.93
Heating Oil	295.48	298.44	294.00	290.98	293.89	289.53	304.48	301.43	306.00	308.98	305.89	310.52
Brent Fin Last Day	81.80	82.62	81.40	80.56	81.36	80.16	84.30	83.45	84.72	85.54	84.69	85.97

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