

**Fundamentals:**

Oil prices rose over 1% on Monday after China's reopened borders boosted the outlook for fuel demand and overshadowed global recession concerns.

The rally was part of a wider boost for risk sentiment supported by both the reopening of the world's biggest crude importer and hopes for less-aggressive increases to U.S. interest rates, with equities rising and the dollar weakening.

Brent crude was up \$1.08, or 1.4%, at \$79.65 a barrel. U.S. West Texas Intermediate crude rose 86 cents, or 1.2%, to \$74.63.

The rally followed a drop last week of more than 8% for both oil benchmarks, their biggest weekly declines at the start of a year since 2016.

As part of a "new phase" in the fight against COVID-19, China opened its borders over the weekend for the first time in three years. Domestically, about 2 billion trips are expected during the Lunar New Year season, nearly double last year's and 70% of 2019 levels, Beijing says.

In oil-specific developments, China issued a second batch of 2023 crude import quotas, according to sources and documents reviewed by Reuters, raising the total for this year by 20% from the same time last year.

Despite Monday's oil rebound, there is still concern that the massive flow of Chinese travellers could cause another surge in COVID infections while broader economic concerns also linger.

Those concerns are reflected in oil's market structure. Both the near-term Brent and U.S. crude contracts are trading at a discount to the next month, a structure known as contango, which typically indicates bearish sentiment.

Meanwhile, U.S. households see weaker near-term inflation and are expecting notably less spending, even as they foresee their incomes continuing to rise, the New York Federal Reserve said Monday in its December Survey of Consumer Expectations.

The bank reported that respondents to its monthly survey said they see inflation a year from now at 5%, from 5.2% in November, for the lowest reading since July 2021.

U.S. natural gas futures jumped about 5% on Monday on forecasts for slightly more heating demand next week than previously expected and as short sellers take profits after prices fell to a one-year low last week.

That continues last year's record volatility with the contract now up or down over 5% on three of the five trading days so far this year.

Front-month gas futures for February delivery rose 20.0 cents, or 5.4%, to settle at \$3.910 per mmBtu. On Friday, the contract closed at its lowest since Dec. 30, 2021.

Monday's price increase pushed the gas contract out of technically oversold territory for the first time in eight days.

But after posting its worst start to a year on record, U.S. gas futures were still down about 13% so far this year after rising 20% in 2022.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil FEB 23	74.63	1.08	76.74	73.47
Natural Gas FEB 23	3.910	0.190	4.128	3.781
RB Gasoline FEB 23	223.29	5.68	233.56	225.10
Heating Oil FEB 23	303.60	3.00	310.69	299.49
Brent Fin Last Day MAR 23	79.75	1.18	81.37	78.34
US Dollar Index	103.20	-0.684	103.935	102.944

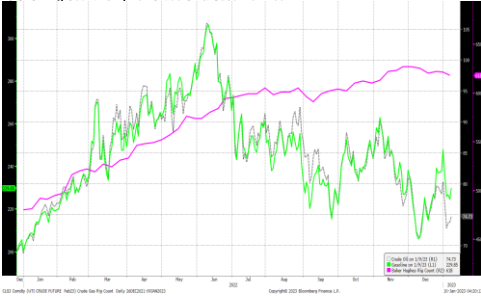
**Bloomberg Survey on U.S. Total Change in Inventories**

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
30/12/2022	1694	1500	-346	-1000	12100	420646
23/12/2022	718	-1200	-3105	500	12000	418952
16/12/2022	-5895	2500	2530	2000	12100	418234
09/12/2022	10231	-3500	4496	2500	12100	424129
02/12/2022	-5186	-3418	5319	2474	12200	413698
25/11/2022	-12581	-3123	2770	2250	12100	419084
18/11/2022	-3690	-2614	3058	1150	12100	431665
11/11/2022	2207	-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	439945
14/10/2022	-1725	2500	-114	-2000	12000	437357

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
01/11/2023 01:00	STEO Fwd Yr Dry Nat Gas Forecast	Jan	--	100.38
01/11/2023 01:00	STEO Curr Yr Dry Nat Gas Forecast	Jan	--	98.13
01/11/2023 01:00	STEO Fwd Yr Crude Forecast	Jan	--	12.34
01/11/2023 01:00	STEO Current Yr Crude Forecast	Jan	--	11.57
01/11/2023 23:30	DOE U.S. Crude Oil Inventories	Jan-06	--	1694k
01/11/2023 23:30	DOE Cushing OK Crude Inventory	Jan-06	--	244k
01/11/2023 23:30	DOE U.S. Gasoline Inventories	Jan-06	--	-346k
01/11/2023 23:30	DOE U.S. Distillate Inventory	Jan-06	--	-1427k
01/11/2023 23:30	DOE U.S. Refinery Utilization	Jan-06	--	-12.40%
01/11/2023 23:30	DOE Crude Oil Implied Demand	Jan-06	--	17570
01/11/2023 23:30	DOE Gasoline Implied Demand	Jan-06	--	8571
01/11/2023 23:30	DOE Distillate Implied Demand	Jan-06	--	4351.9
01/12/2023 23:30	EIA Natural Gas Storage Change	Jan-06	--	-221
01/12/2023 23:30	EIA Working Natural Gas Implied Flow	Jan-06	--	-221
01/14/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Jan-13	--	618
01/14/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Jan-13	--	152
01/14/2023 02:00	Baker Hughes U.S. Rig Count	Jan-13	--	772

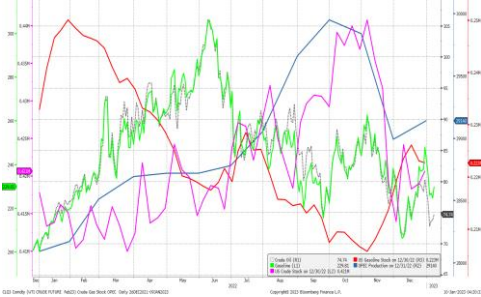
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



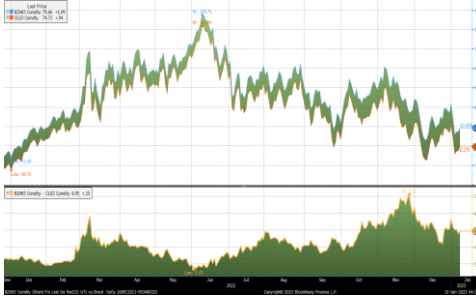
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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			Natural Gas			Gasoline					
1st Resistance:	75.75	2nd Resistance:	76.87	1st Resistance:	3.969	2nd Resistance:	4.027	1st Resistance:	232.73	2nd Resistance:	236.17
1st Support:	73.51	2nd Support:	72.39	1st Support:	3.851	2nd Support:	3.793	1st Support:	225.85	2nd Support:	222.41
MACD:	-1.008			MACD:	-0.646			MACD:	0.409		
MACD DIFF:	-0.182			MACD DIFF:	-0.126			MACD DIFF:	0.337		
RSI:	44.348			RSI:	32.050			RSI:	50.371		

Heating Oil			Brent Fin Last Day				
1st Resistance:	308.15	2nd Resistance:	312.71	1st Resistance:	80.95	2nd Resistance:	82.14
1st Support:	299.05	2nd Support:	294.49	1st Support:	78.55	2nd Support:	77.36
MACD:	-2.915			MACD:	-1.149		
MACD DIFF:	-1.090			MACD DIFF:	-0.157		
RSI:	45.257			RSI:	44.010		

**Strategy**

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	73.51	74.25	73.14	72.39	73.12	72.03	75.75	74.99	76.13	76.87	76.10
Natural Gas	3.851	3.890	3.832	3.793	3.831	3.774	3.969	3.929	3.988	4.027	3.987
Gasoline	225.85	228.11	224.72	222.41	224.64	221.30	232.73	230.40	233.89	236.17	233.81
Heating Oil	299.05	302.04	297.55	294.49	297.44	293.02	308.15	305.07	309.69	312.71	309.58
Brent Fin Last Day	78.55	79.34	78.16	77.36	78.13	76.97	80.95	80.14	81.35	82.14	81.32

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