

Fundamentals:

Oil prices settled more than a dollar a barrel higher on Friday, noting their biggest weekly gains since October, as the U.S. dollar dropped to a seven-month low and more indicators pointed toward growing demand from top oil importer China.

Brent crude futures settled at \$85.28 a barrel, up by \$1.25, or 1.5%. West Texas Intermediate (WTI) crude futures rose for the seventh-straight session to settle at \$79.86 a barrel, up by \$1.47, or 1.9%.

Brent gained 8.6% this week, while WTI rose by 8.4%, recouping most of the previous week's losses.

The U.S. dollar index slumped to the lowest in more than seven months, a day after data showed inflation fell in December for the first time in 2-1/2 years, feeding hopes the Federal Reserve would slow its rate hikes.

A weaker greenback tends to boost demand for oil, making it cheaper for buyers holding other currencies.

Recent Chinese crude purchases and a pick-up in road traffic in the country are also fuelling hopes of a demand recovery in the world's second-largest economy following the reopening of its borders and easing of COVID-19 curbs after protests last year.

The Organization of the Petroleum Exporting Countries and allies, including Russia, will meet in February to assess market conditions, and there is some concern that the group could cut oil output again to lift prices after recent declines.

OPEC+ had announced a 2-million-barrel-per-day cut to production in October as global oil prices fell under \$90 a barrel.

U.S. natural gas futures plunged about 8% to an 18-month low on Friday on growing expectations the Freeport liquefied natural gas (LNG) export plant in Texas will remain shut until February or later and on forecasts the weather will turn mild again in February following a late January freeze.

Front-month gas futures for February delivery fell 27.6 cents, or 7.5%, to settle at \$3.419 per million British thermal units (mmbtu), their lowest close since June 24, 2021.

That kept the front-month in technically oversold territory with a relative strength index (RSI) below 30 for a fourth day in a row and an 11th time in the last 12 days.

For the week, the contract was down about 8%, putting it down for a fourth week in a row for the first time since October. During the prior three weeks, the contract lost about 44%.

The premium on March futures over April, which the industry calls the widow maker, slid to a record low of 4 cents per mmbtu as some market participants give up hope that extreme cold will bring a price spike later this winter.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil FEB 23	79.86	1.69	80.11	77.97
Natural Gas FEB 23	3.419	-0.230	3.760	3.384
RB Gasoline FEB 23	253.28	6.21	254.08	244.72
Heating Oil FEB 23	325.59	5.32	328.82	320.37
Brent Fin Last Day MAR 23	85.45	1.42	85.49	83.49
US Dollar Index	102.18	-0.062	102.654	101.988

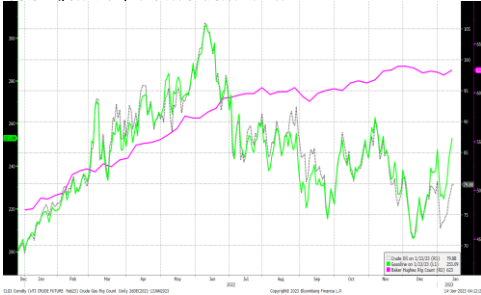
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil Inventory	
	Actual	Survey	Actual	Survey	Production	Inventory
06/01/2023	18961	-2000	4114	750	12200	439607
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	413898
25/11/2022	-12581	-3123	2770	2250	12100	419084
18/11/2022	3058	-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	439945

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
01/14/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Jan-13	--	623
01/14/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Jan-13	--	150
01/14/2023 02:00	Baker Hughes U.S. Rig Count	Jan-13	--	775
01/19/2023 23:30	EIA Natural Gas Storage Change	Jan-13	--	11
01/19/2023 23:30	EIA Working Natural Gas Implied Flow	Jan-13	--	11
01/20/2023 00:00	DOE U.S. Crude Oil Inventories	Jan-13	--	18961k
01/20/2023 00:00	DOE Cushing OK Crude Inventory	Jan-13	--	2511k
01/20/2023 00:00	DOE U.S. Gasoline Inventories	Jan-13	--	4114k
01/20/2023 00:00	DOE U.S. Distillate Inventory	Jan-13	--	-1069k
01/20/2023 00:00	DOE U.S. Refinery Utilization	Jan-13	--	4.50%
01/20/2023 00:00	DOE Crude Oil Implied Demand	Jan-13	--	15841
01/20/2023 00:00	DOE Gasoline Implied Demand	Jan-13	--	8425.3
01/20/2023 00:00	DOE Distillate Implied Demand	Jan-13	--	4905.7

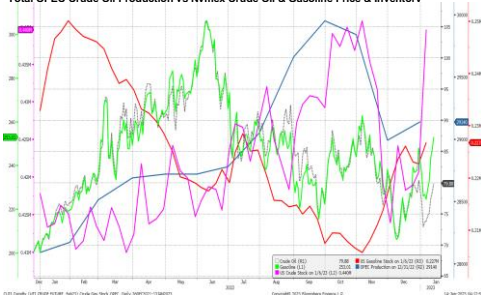
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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:	81.06	1st Resistance:	3.470	1st Resistance:	257.08
1st Support:	78.66	1st Support:	3.368	1st Support:	249.48
MACD:	-0.226	MACD:	-0.662	MACD:	3.976
MACD DIFF:	0.456	MACD DIFF:	-0.059	MACD DIFF:	2.477
RSI:	57.557	RSI:	28.816	RSI:	64.673
Heating Oil		Brent Fin Last Day			
1st Resistance:	330.47	1st Resistance:	86.73	1st Resistance:	80.25
1st Support:	320.71	1st Support:	84.17	1st Support:	81.46
MACD:	0.888	MACD:	-0.248	MACD:	3.488
MACD DIFF:	1.885	MACD DIFF:	0.538	MACD DIFF:	258.36
RSI:	57.394	RSI:	57.546	RSI:	87.17

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	78.66	79.45	78.27	77.46	78.24	77.08	81.06	80.25	81.46	82.26	81.43	82.67
Natural Gas	3.368	3.401	3.351	3.316	3.350	3.300	3.470	3.436	3.488	3.522	3.486	3.539
Gasoline	249.48	251.98	248.23	245.68	248.14	244.45	257.08	254.51	258.36	260.88	258.27	262.18
Heating Oil	320.71	323.91	319.10	315.82	318.98	314.24	330.47	327.17	332.13	335.36	332.00	337.03
Brent Fin Last Day	84.17	85.01	83.75	82.89	83.72	82.47	86.73	85.86	87.17	88.01	87.13	88.45

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