

**Fundamentals:**

Oil prices edged higher on Monday, rebounding from early losses, as investors weighed Russia's plans to cut crude production and short-term demand concerns ahead of U.S. inflation data this week.

Brent futures for April delivery rose 22 cents, or 0.3%, to \$86.61 a barrel, while U.S. crude rose 42 cents, or 0.5%, to \$80.14 per barrel gain.

Oil prices rose on Friday to their highest in two weeks after Russia, the world's third-largest oil producer, said it would cut crude production in March by 500,000 barrels per day (bpd), or about 5% of output, in retaliation against Western curbs imposed on its exports in response to the Ukraine conflict.

The United Arab Emirates' energy minister said there was no need for the OPEC+ group of oil-producing nations to meet earlier than scheduled as the market was balanced.

Both the Brent and WTI contracts rose more than 8% last week, buoyed by optimism over demand recovery in China after COVID curbs were scrapped in December.

U.S. main stock indexes also rose on Monday.

The U.S. Federal Reserve has been raising interest rates to rein in inflation, leading to concerns the move would slow economic activity and demand for oil.

Additionally, supply concerns were relieved somewhat as a cargo of Azeri crude set sail from Turkey's Ceyhan port on Monday, the first since a devastating earthquake in the region on Feb. 6.

Ceyhan is the storage and loading point for pipelines that carry oil from Azerbaijan and Iraq.

Also on the supply side, U.S. shale crude oil production in the seven biggest shale basins is expected to rise to its highest on record in March, the Energy Information Administration said on Monday.

US natural gas futures fell as persistent warmth across the heavily populated Northeast erodes demand for heating fuel.

Gas for March delivery settled down 4.3% at \$2.405 per mmbtu in New York.

European natural gas prices fell to the lowest level since September 2021 as confidence grows for energy stability in the region through the remainder of winter.

Benchmark futures slid as much as 4.8% to €51.39 per megawatt-hour. Sweden downgraded its risk of power cuts to "low" in a sign that the worst of the region's supply crisis has passed — at least for now. Power prices also declined.

The slump illustrates a remarkable turn of events for Europe, which just six months ago saw gas prices above €300 as countries braced for winter rationing and blackouts. That hasn't occurred, due to mild weather and steady imports of liquefied natural gas to make up for lost pipeline flows from Russia. Inventories are now much higher than usual for the time of year.

(Source: Reuters, Bloomberg)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil MAR 23	80.14	-0.35	80.62	78.45
Natural Gas MAR 23	2.405	-0.081	2.610	2.376
RB Gasoline MAR 23	253.11	1.62	253.37	246.54
Heating Oil MAR 23	290.57	2.37	292.23	281.88
Brent Fin Last Day APR 23	86.04	-0.35	86.95	85.09
US Dollar Index	103.31	-0.324	103.837	103.237

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
03/02/2023	2423	2000	5008	1600	12300	455111
27/01/2023	4140	-1000	2576	2000	12200	452688
20/01/2023	533	1500	1763	1500	12200	448548
13/01/2023	8408	-3000	3483	2400	12200	448015
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	2530	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	4119084
18/11/2022	-3690	-2614	3058	1150	12100	431665

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
02/15/2023 23:30	DOE U.S. Crude Oil Inventories	Feb-10	--	2423k
02/15/2023 23:30	DOE Cushing OK Crude Inventory	Feb-10	--	1043k
02/15/2023 23:30	DOE U.S. Gasoline Inventories	Feb-10	--	5008k
02/15/2023 23:30	DOE U.S. Distillate Inventory	Feb-10	--	2332k
02/15/2023 23:30	DOE U.S. Refinery Utilization	Feb-10	--	2.20%
02/15/2023 23:30	DOE Crude Oil Implied Demand	Feb-10	--	19012
02/15/2023 23:30	DOE Gasoline Implied Demand	Feb-10	--	9371.3
02/15/2023 23:30	DOE Distillate Implied Demand	Feb-10	--	4937.1
02/16/2023 23:30	EIA Natural Gas Storage Change	Feb-10	--	-217
02/16/2023 23:30	EIA Working Natural Gas Implied Flow	Feb-10	--	-217
02/18/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Feb-17	--	609
02/18/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Feb-17	--	150
02/18/2023 02:00	Baker Hughes U.S. Rig Count	Feb-17	--	761

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



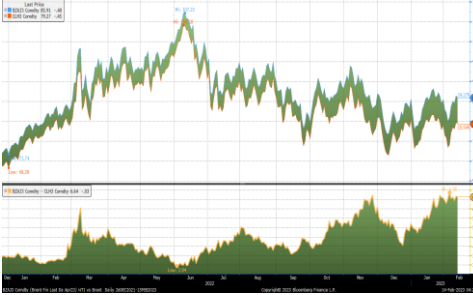
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

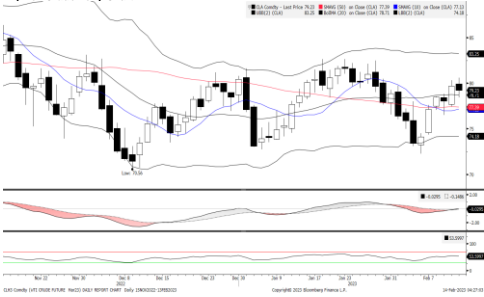


WTI-Brent Spread



Source: Bloomberg

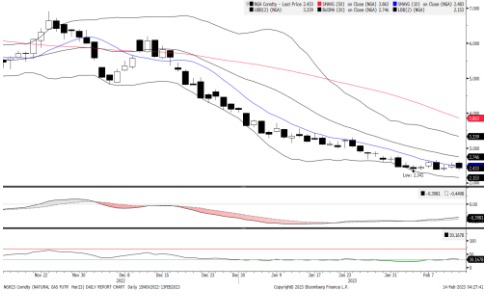
**Nymex Crude Daily Chart**



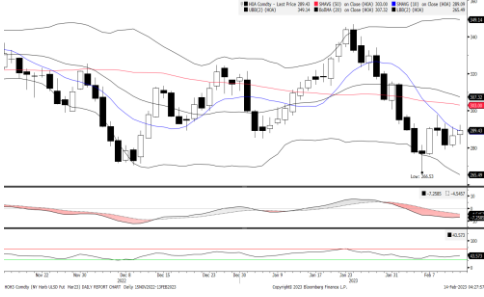
**Nymex RBOB Gasoline Daily Chart**



**Nymex Natural Gas Daily Chart**



**Nymex Heating Oil Daily Chart**



**Nymex Brent Last Day Daily Chart**



**Technical Analysis**

Instrument	1st Resistance	2nd Resistance	1st Support	2nd Support	MACD	MACD DIFF	RSI
<b>Crude Oil</b>	81.34	82.54	78.94	77.74	-0.019	0.128	54.031
<b>Natural Gas</b>	4.42	4.54	4.28	4.16	-0.398	0.052	30.166
<b>Gasoline</b>	25.91	26.70	24.91	24.52	1.202	-1.026	54.146
<b>Heating Oil</b>	3.42	3.54	3.28	3.16	-0.313	0.116	55.315
<b>Brent Fin Last Day</b>	81.34	82.54	78.94	77.74	0.313	0.116	55.315

**Strategy**

Instrument	Long Profit target	Long Stop-loss	Short Profit target	Short Stop-loss
<b>Crude Oil</b>	79.73	78.54	80.53	81.75
<b>Natural Gas</b>	2.393	2.357	2.417	2.453
<b>Gasoline</b>	251.81	248.07	254.34	258.19
<b>Heating Oil</b>	289.07	284.78	291.98	296.40
<b>Brent Fin Last Day</b>	85.60	84.33	86.46	87.77

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.