

**Fundamentals:**

Oil settled down \$2 a barrel on Friday and ended the week markedly lower, as traders worried that future U.S. interest rate hikes could weigh on demand and got nervous about mounting signs of ample crude oil and fuel supply.

On Thursday, two Fed officials warned additional hikes in borrowing costs are essential to curb inflation. The sentiments lifted the U.S. dollar, making oil more expensive for holders of other currencies.

Brent crude futures settled down \$2.14 or 2.5% to \$83.00 a barrel, falling 3.9% week on week. West Texas Intermediate (WTI) U.S. crude settled down \$2.15, or 2.7%, to \$76.34, falling 4.2% from last Friday's settlement.

Various signs of ample supply also weighed on the market.

Russian oil producers expect to maintain current volumes of crude oil exports, despite the government's plan to cut oil output in March, the Vedomosti newspaper said on Friday, citing sources familiar with companies' plans.

The latest snapshot of U.S. supplies, released on Wednesday, showed crude inventories in the week to Feb. 10 rose by 16.3 million barrels to 471.4 million barrels, their highest level since June 2021.

Heating oil cracks fell 5% on Friday as warm weather sapped demand for the fuel in mid-February.

The oil and gas rig count, an early indicator of future output, fell by one to 760 in the week to Feb. 17, energy services firm Baker Hughes Co said on Friday.

Despite this week's rig decline, Baker Hughes said the total count was still up 115, or 18%, over this time last year.

Some support came from moves this week by the International Energy Agency and the Organization of the Petroleum Exporting Countries to raise their forecasts for global oil demand growth this year, citing expectations for more Chinese demand.

And Saudi Arabia's energy minister said the current deal by OPEC+, which groups OPEC producers with Russia and others, to cut oil output targets by 2 million barrels per day, would be locked in until the end of the year, adding he remained cautious on Chinese demand.

U.S. natural gas futures plunged about 5% to a 28-month low on Friday on forecasts for less cold weather and lower heating demand next week than previously expected.

That mild weather should allow utilities to keep pulling less gas from storage than normal for this time of year. Gas stockpiles were already about 9% above their five-year average (2018-2022) and were on track to rise to about 15% above normal this week, according to analysts' estimates.

The price drop came despite recent increases in the amount of gas flowing to U.S. liquefied natural gas (LNG) export plants to a 10-month high as Freeport LNG in Texas gets ready to exit an eight-month outage.

Front-month gas futures for March delivery on the New York Mercantile Exchange (NYMEX) fell 11.4 cents, or 4.8%, to settle at \$2.275 per million British thermal units, their lowest close since September 2020.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil MAR 23	76.34	-2.23	78.25	75.06
Natural Gas MAR 23	2.275	-0.123	2.420	2.220
RB Gasoline MAR 23	240.82	-2.95	242.17	233.40
Heating Oil MAR 23	271.21	-7.98	279.65	265.77
Brent Fin Last Day APR 23	82.97	-2.17	84.85	81.79
US Dollar Index	103.87	0.013	104.667	103.84

**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	420546
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	411904
18/11/2022	-3690	-2614	-3058	1150	12100	431665

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
02/18/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Feb-17	610	609
02/18/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Feb-17	--	151
02/18/2023 02:00	Baker Hughes U.S. Rig Count	Feb-17	--	760
02/23/2023 23:30	EIA Natural Gas Storage Change	Feb-17	--	-100
02/23/2023 23:30	EIA Working Natural Gas Implied Flow	Feb-17	--	-100
02/24/2023 00:00	DOE U.S. Crude Oil Inventories	Feb-17	--	16283k
02/24/2023 00:00	DOE Cushing OK Crude Inventory	Feb-17	--	659k
02/24/2023 00:00	DOE U.S. Gasoline Inventories	Feb-17	--	2316k
02/24/2023 00:00	DOE U.S. Distillate Inventory	Feb-17	--	-1285k
02/24/2023 00:00	DOE U.S. Refinery Utilization	Feb-17	--	-1.40%
02/24/2023 00:00	DOE Crude Oil Implied Demand	Feb-17	--	16206
02/24/2023 00:00	DOE Gasoline Implied Demand	Feb-17	--	9060.1
02/24/2023 00:00	DOE Distillate Implied Demand	Feb-17	--	4913.6
02/25/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Feb-24	--	607
02/25/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Feb-24	--	151
02/25/2023 02:00	Baker Hughes U.S. Rig Count	Feb-24	--	760

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



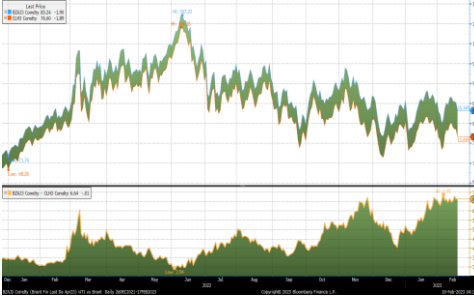
**Normalized RBOB Gasoline minus Nymex Crude Oil Price**



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



**WTI-Brent Spread**



Source: Bloomberg

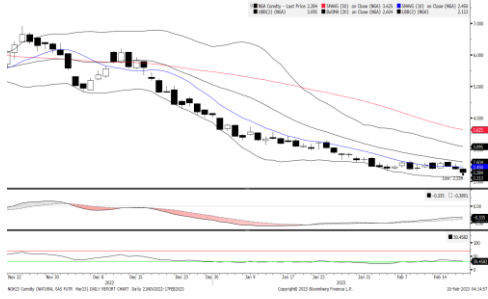
**Nymex Crude Daily Chart**



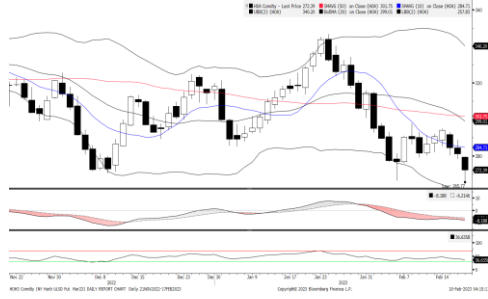
**Nymex RBOB Gasoline Daily Chart**



**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:	77.49	2nd Resistance:	78.63	1st Resistance:	2.309	2nd Resistance:	2.343	1st Resistance:	244.43	2nd Resistance:	248.04
1st Support:	75.19	2nd Support:	74.05	1st Support:	2.241	2nd Support:	2.207	1st Support:	237.21	2nd Support:	233.60
MACD:	-0.048			MACD:	-0.336			MACD:	0.142		
MACD DIFF:	-0.032			MACD DIFF:	0.053			MACD DIFF:	-1.220		
RSI:	44.063			RSI:	30.120			RSI:	45.139		

Heating Oil				Brent Fin Last Day			
1st Resistance:	275.28	2nd Resistance:	279.35	1st Resistance:	84.21	2nd Resistance:	85.46
1st Support:	267.14	2nd Support:	263.07	1st Support:	81.73	2nd Support:	80.48
MACD:	-8.132			MACD:	0.233		
MACD DIFF:	-1.928			MACD DIFF:	-0.062		
RSI:	36.912			RSI:	45.644		

**Strategy**

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	75.19	75.95	74.82	74.05	74.79	73.68	77.49	76.71	77.87	78.63	77.84	79.02
Natural Gas	2.241	2.263	2.230	2.207	2.229	2.196	2.309	2.286	2.321	2.343	2.320	2.355
Gasoline	237.21	239.58	236.02	233.60	235.93	232.43	244.43	241.99	245.65	248.04	245.56	249.28
Heating Oil	267.14	269.81	265.81	263.07	265.70	261.76	275.28	272.53	276.65	279.35	276.55	280.74
Brent Fin Last Day	81.73	82.54	81.32	80.48	81.29	80.08	84.21	83.37	84.64	85.46	84.60	85.89

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