

**Fundamentals:**

Oil edged lower on Wednesday in choppy trading as investors looked to pocket profits from two straight days of gains, and as markets debated supply tightness.

Brent crude closed 37 cents, or 0.5%, lower at \$78.28 a barrel, while West Texas Intermediate crude fell 23 cents, or 0.3%, to \$72.97.

On the supply side, worries of tightness after an unexpected draw in U.S. oil stockpiles and a halt to some Iraqi Kurdistan oil exports were partially offset by a smaller-than-expected output cut in Russia.

U.S. crude oil stockpiles fell unexpectedly last week, the Energy Information Administration said, as refineries ramped up operations after maintenance season and U.S. imports fell to a two-year low.

EIA data also showed a larger-than-expected draw in gasoline stocks, implying strong demand heading into the summer season.

News of the surprise drop in inventories came on top of a 450,000 barrels per day (bpd) of crude export halt on Saturday from Iraq's semi-autonomous northern Kurdistan region following an arbitration decision.

Norwegian oil firm DNO said it had begun shutting down production at its fields in Kurdistan. The company's Tawke and Peshkabar fields averaged output of 107,000 bpd in 2022, a quarter of total Kurdish exports.

U.S. oil and gas activity stalled in the first quarter as production gains slowed and drillers' outlooks turned negative, a survey released by the Federal Reserve Bank of Dallas showed.

Supply concern were, however, eased by reports that Russian oil production fell by around 300,000 bpd in the first three weeks of March, less than the targeted cuts of 500,000 bpd.

Meanwhile, markets also awaited clarity on the banking crisis and U.S. Federal Reserve's plans for rate hike. Oil prices had plunged to a 15-month low on March 20 after global financial markets were roiled as investors balked at the collapse of two U.S. lenders and the rescue of Credit Suisse.

The dollar edged higher against most major peers, pausing its recent declines. A stronger greenback hurts oil demand as crude becomes more expensive for buyers who hold foreign currencies.

US natural gas rose as chillier weather forecasts spurred demand expectations for the furnace and power -plant fuel.

Front-month April contract, which expires later Wednesday, settled down 1.9% to \$1.991, the lowest since September 2020.

European natural gas prices fluctuated as traders weigh continued disruptions to French energy networks against strong fuel supplies at the end of the heating season.

Benchmark futures swung between gains and losses on Wednesday. Europe is heading into spring having seen out an energy crisis that at one point threatened to overwhelm the economy. Yet mostly mild winter weather and strong flows of liquefied natural gas have helped to avoid major strains, with markets now looking at how reserves will fare into next winter.

(Source: Reuters, Bloomberg)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil MAY 23	72.97	-0.42	74.37	72.76
Natural Gas MAY 23	2.184	0.034	2.225	2.103
RB Gasoline APR 23	265.81	-5.11	273.60	255.01
Heating Oil APR 23	265.81	-12.31	276.66	264.29
Brent Fin Last Day JUN 23	77.38	-0.76	79.02	77.32
US Dollar Index	102.66	0.232	102.786	102.373

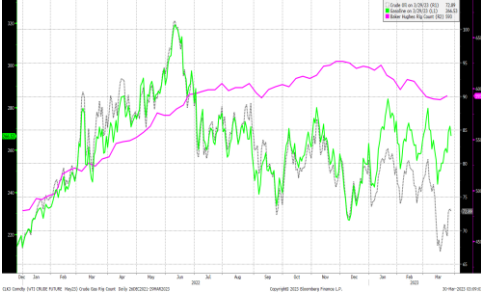
**Bloomberg Survey on U.S. Total Change in Inventories**

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
24/03/2023	-7489	1750	-2904	-2250	12200	472691
17/03/2023	1117	-1800	-6399	-2364	12300	481180
10/03/2023	1550	1500	-1617	-1617	12200	480063
03/03/2023	-1694	1600	-1134	-2000	12200	478513
24/02/2023	1166	1900	-874	-1000	12300	480207
17/02/2023	7647	2800	-1856	900	12300	473041
10/02/2023	16283	2000	2316	1500	12300	471394
03/02/2023	5008	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	446015
06/01/2023	18961	-2000	4114	750	12200	439607

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
03/29/2023 22:30 DOE U.S. Crude Oil Inventories	Mar-24	1750k	-7489k	1117k
03/29/2023 22:30 DOE Cushing OK Crude Inventory	Mar-24	--	-1632k	-1063k
03/29/2023 22:30 DOE U.S. Gasoline Inventories	Mar-24	-2250k	-2904k	-6399k
03/29/2023 22:30 DOE U.S. Distillate Inventory	Mar-24	-1550k	281k	-3313k
03/29/2023 22:30 DOE U.S. Refinery Utilization	Mar-24	0.55%	1.70%	0.40%
03/29/2023 22:30 DOE Crude Oil Implied Demand	Mar-24	--	18595	18312
03/29/2023 22:30 DOE Gasoline Implied Demand	Mar-24	--	9970.9	9851.4
03/29/2023 22:30 DOE Distillate Implied Demand	Mar-24	--	4738.9	5198.3
03/30/2023 22:30 EIA Natural Gas Storage Change	Mar-24	-54	--	-72
03/30/2023 22:30 EIA Working Natural Gas Implied Flow	Mar-24	-54	--	-72
04/01/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Mar-31	590	--	593
04/01/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Mar-31	--	--	162
04/01/2023 01:00 Baker Hughes U.S. Rig Count	Mar-31	--	--	758

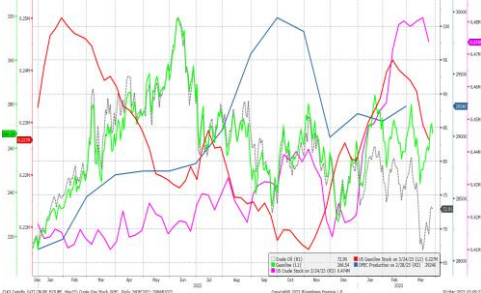
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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:	74.06	2nd Resistance:	75.16	1st Resistance:	2.217	2nd Resistance:	2.250	1st Resistance:	270.81	2nd Resistance:	274.81
1st Support:	71.88	2nd Support:	70.78	1st Support:	2.151	2nd Support:	2.118	1st Support:	262.81	2nd Support:	258.81
MACD:	-1.485			MACD:	-0.169			MACD:	0.252		
MACD DIFF:	0.349			MACD DIFF:	-0.030			MACD DIFF:	1.486		
RSI:	48.411			RSI:	37.418			RSI:	53.897		

Heating Oil			Brent Fin Last Day				
1st Resistance:	269.80	2nd Resistance:	273.78	1st Resistance:	78.54	2nd Resistance:	79.70
1st Support:	261.82	2nd Support:	257.84	1st Support:	76.22	2nd Support:	75.06
MACD:	-3.235			MACD:	-1.591		
MACD DIFF:	0.593			MACD DIFF:	0.245		
RSI:	42.141			RSI:	46.299		

**Strategy**

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	71.88	72.59	71.52	70.78	71.49	70.43	74.06	73.32	74.43	75.16	74.41	75.53
Natural Gas	2.151	2.173	2.140	2.118	2.140	2.108	2.217	2.195	2.228	2.250	2.227	2.261
Gasoline	262.81	265.44	261.49	258.81	261.39	257.51	270.81	268.10	272.17	274.81	272.07	276.19
Heating Oil	261.82	264.44	260.51	257.84	260.41	256.55	269.80	267.10	271.15	273.78	271.05	275.15
Brent Fin Last Day	76.22	76.98	75.84	75.06	75.81	74.68	78.54	77.76	78.93	79.70	78.90	80.10

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.