

Fundamentals:

Oil prices fell on Wednesday as fears that more aggressive U.S. interest rate hikes would pressure economic growth and oil demand outweighed a larger-than-expected draw in U.S. crude stocks.

Both oil benchmarks had dropped by more than 3% on Tuesday after comments by U.S. Federal Reserve Chair Jerome Powell that the central bank would likely need to raise interest rates more than expected in response to recent strong data.

Brent crude futures were down 63 cents, or 0.8%, to \$82.66 per barrel, while U.S. West Texas Intermediate (WTI) crude futures slipped 92 cents, or 1.2%, to \$76.66 a barrel.

A stronger dollar also capped oil prices earlier in the session. Powell's comments had propelled the U.S. dollar, which typically trades inversely with oil, to hit a three-month high against a basket of currencies.

U.S. crude stocks fell 1.7 million barrels last week, government data showed, compared with analyst estimates for a build of 395,000. Industry data late Tuesday showed a decline in crude inventories for the first time after a 10-week build.

U.S. gasoline stocks drew by 1.1 million barrels, according to official data, less than the 1.8 million forecast, adding to demand concerns. Distillate inventory grew by 138,000 barrels, compared with expectations for a 1 million-barrel draw.

Barclays lowered its 2023 Brent forecast by \$6 to \$92 a barrel and for WTI by \$7 to \$87, "due primarily to more resilient-than-expected Russian supplies," the bank said.

Oil ministers and executives continued to debate supply tightness at a conference in Houston, with Angola's secretary of state for oil and gas saying there was no need for the Organization of the Petroleum Exporting Countries to increase output to make up for Russia's 500,000 barrel per day cut.

Meanwhile, a group of bipartisan U.S. senators said they have reintroduced legislation to pressure OPEC to stop making output cuts.

U.S. Energy Secretary Jennifer Granholm also said that any further releases from the U.S. Strategic Petroleum Reserve would be due to disruptions like the war in Ukraine.

U.S. natural gas futures fell about 5% on Wednesday to a one-week low, after data showed the amount of gas flowing to Freeport LNG's export plant in Texas dropped and on forecasts indicating the weather in the near term would be warmer than previously expected.

That price decline came even though the total amount of gas flowing to all seven big U.S. LNG export plants was still on track to hit a record high this month.

Front-month gas futures for April delivery fell 13.6 cents, or 5.1%, to settle at \$2.551 per million British thermal units (mmBtu), their lowest close since Feb. 24.

The market has been extremely volatile in recent weeks as traders bet on the latest weather forecasts.

The front-month fell to a 28-month low below \$2 per mmBtu in intraday trade on Feb. 22 on forecasts for warmer weather before jumping 9% to settle at a five-week high over \$3 just over a week later on March 3 on forecasts for colder weather and then plunging 15% on March 6 on an outlook for warmer temperatures.

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	APR 23 76.66	-1.07	77.73	76.11
Natural Gas	APR 23 2.551	-0.099	2.694	2.519
RB Gasoline	APR 23 268.89	-1.43	270.01	265.42
Heating Oil	APR 23 274.19	-5.63	280.58	271.68
Brent Fin Last Day	MAY 23 82.50	-0.79	83.59	82.05
US Dollar Index	105.70	0.089	105.883	105.365

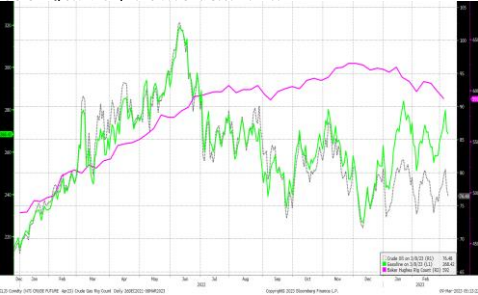
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
24/02/2023	1166	1900	-874	1000	12300	480207
17/02/2023	7647	2800	-1856	900	12300	479041
10/02/2023	16283	2000	2316	1500	12300	471394
03/02/2023	2423	2000	5008	1600	12300	455111
27/01/2023	4140	-1000	2576	2000	12200	452688
20/01/2023	533	1500	1783	1500	12200	448548
13/01/2023	8408	-3000	3483	2400	12200	448015
06/01/2023	4114	-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

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
03/08/2023 01:40	STEO Fwd Yr Dry Nat Gas Forecast	Mar	--	101.69
03/08/2023 01:40	STEO Curr Yr Dry Nat Gas Forecast	Mar	--	100.27
03/08/2023 01:40	STEO Fwd Yr Crude Forecast	Mar	--	12.63
03/08/2023 01:40	STEO Current Yr Crude Forecast	Mar	--	12.44
03/08/2023 23:30	DOE U.S. Crude Oil Inventories	Mar-03	1600k	-1694k
03/08/2023 23:30	DOE Cushing OK Crude Inventory	Mar-03	--	-890k
03/08/2023 23:30	DOE U.S. Gasoline Inventories	Mar-03	-2000k	-1134k
03/08/2023 23:30	DOE U.S. Distillate Inventory	Mar-03	-1300k	138k
03/08/2023 23:30	DOE U.S. Refinery Utilization	Mar-03	-0.50%	0.20%
03/08/2023 23:30	DOE Crude Oil Implied Demand	Mar-03	--	18713
03/08/2023 23:30	DOE Gasoline Implied Demand	Mar-03	--	9393.3
03/08/2023 23:30	DOE Distillate Implied Demand	Mar-03	--	4646.3
03/09/2023 23:30	EIA Natural Gas Storage Change	Mar-03	-83	--
03/09/2023 23:30	EIA Working Natural Gas Implied Flow	Mar-03	-83	--
03/11/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Mar-10	569	--
03/11/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Mar-10	--	154
03/11/2023 02:00	Baker Hughes U.S. Rig Count	Mar-10	--	749

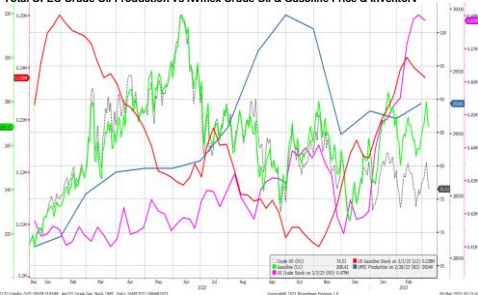
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



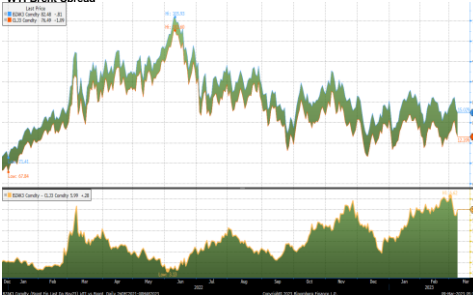
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg

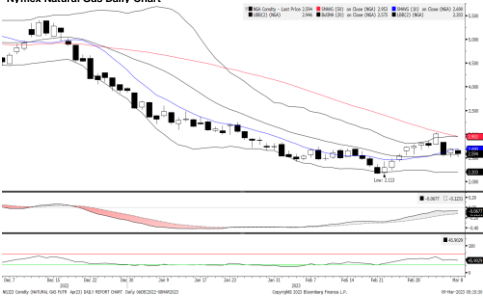
Nymex Crude Daily Chart



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:	77.81	1st Resistance:	2.589	1st Resistance:	272.92
2nd Resistance:	75.51	1st Support:	2.513	1st Support:	264.86
1st Support:	-0.039	MACD:	-0.068	MACD:	2.037
2nd Support:	0.124	MACD DIFF:	0.055	MACD DIFF:	0.862
MACD:	46.047	RSI:	45.751	RSI:	52.443
MACD DIFF:					
RSI:					

Heating Oil		Brent Fin Last Day	
1st Resistance:	278.30	1st Resistance:	83.74
2nd Resistance:	270.08	1st Support:	81.26
1st Support:	-2.477	MACD:	0.047
2nd Support:	0.769	MACD DIFF:	0.025
MACD:	42.566	MACD DIFF:	0.025
MACD DIFF:		RSI:	45.765
RSI:			

Strategy

	Long	Profit target	Stop-loss:	Long	Profit target	Stop-loss:	Short	Profit target	Stop-loss:	Short	Profit target	Stop-loss:
Crude Oil	75.51	76.27	75.13	74.36	75.10	73.99	77.81	77.03	78.20	78.96	78.17	79.35
Natural Gas	2.513	2.538	2.500	2.474	2.499	2.462	2.589	2.563	2.602	2.628	2.601	2.641
Gasoline	264.86	267.51	263.53	260.82	263.43	259.52	272.92	270.19	274.29	276.96	274.19	278.34
Heating Oil	270.08	272.78	268.73	265.96	268.62	264.63	278.30	275.52	279.69	282.42	279.59	283.83
Brent Fin Last Day	81.26	82.08	80.86	80.03	80.83	79.62	83.74	82.90	84.16	84.98	84.13	85.40

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.