

Fundamentals:

Oil prices rose 2% on Wednesday as cooling U.S. inflation data spurred hopes that the Federal Reserve is getting closer to ending its cycle of interest-rate hikes and cushioned the impact of a small build in U.S. crude oil stocks.

Brent crude settled up \$1.72, or 2.01%, at \$87.33 a barrel while U.S. West Texas Intermediate closed up \$1.73, or 2.1%, to \$83.26. Prices rose about 2% on Tuesday.

The U.S. Consumer Price Index (CPI) climbed 0.1% last month after advancing 0.4% in February, the Labor Department said. In the 12 months to March 31 the CPI increased 5%, the smallest year-on-year gain since May 2021. The CPI rose 6% year-on-year in February.

Government bonds, a gauge of global stocks, and gold rallied while the dollar dropped sharply after the data. A weaker U.S. currency makes dollar-priced oil cheaper for buyers holding other currencies.

U.S. President Joe Biden's top economic adviser and ex-Federal Reserve vice chair, Lael Brainard, also said she was seeing inflation coming down.

Markets shrugged off a small build in U.S. crude oil stocks, attributing it in part to a congressionally mandated release of oil from the U.S. emergency reserve and lower exports at the start of the month.

Crude inventories rose by 597,000 barrels in the last week to 470.5 million, compared with analysts' expectations in a Reuters poll for a 600,000-barrel drop.

U.S. gasoline stocks fell by 300,000 barrels, while distillate stockpiles, which include diesel and heating oil, fell by 0.6 million barrels. Both draw-downs were smaller than analysts' forecasts.

A report from the American Petroleum Institute (API) showed crude inventories rose by about 380,000 barrels in the last week, while gasoline inventories were also higher, according to sources.

Meanwhile, the global oil market could see tightness in the second half of 2023, which would push oil prices higher, said Fath Birol, executive director of the International Energy Agency.

In a negative for oil demand, the International Monetary Fund on Tuesday trimmed its 2023 global growth outlook, citing the impact of higher interest rates.

The market is also waiting for clarity on oil demand and supply, with monthly reports from the Organization of the Petroleum Exporting Countries (OPEC) and the International Energy Agency due on Thursday and Friday, respectively.

The U.S. Energy Information Administration on Tuesday cut its forecast for oil production by OPEC countries by 0.5 million barrels per day for the rest of 2023 and cut its 2023 world oil demand growth forecast by 40,000 bpd.

U.S. natural gas futures fell more than 4% on Wednesday on expectations that milder weather would reduce heating demand and with near-record production for the month pressuring prices.

Front-month gas futures for May delivery on the New York Mercantile Exchange (NYMEX) slipped 9.3 cents, or 4.3%, to settle at \$2.093 per million British thermal units (mmBtu).

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil MAY 23	83.26	1.74	83.53	81.28
Natural Gas MAY 23	2.093	-0.102	2.229	2.072
RB Gasoline MAY 23	297.27	-0.49	299.43	291.52
Heating Oil MAY 23	270.31	3.20	272.34	264.99
Brent Fin Last Day JUN 23	87.28	1.67	87.49	85.41
US Dollar Index	101.55	-0.652	102.158	101.449

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil Inventory	
	Actual	Survey	Actual	Survey	Production	Inventory
7/4/2023	597	-1050	-330	-1900	12300	470549
3/13/2023	-3739	-1700	-4119	-2000	12200	469952
2/4/2023	-7489	1750	-2904	-2250	12200	473691
17/3/2023	1117	-1800	-6399	-2364	12300	481180
10/3/2023	1550	1500	-2061	-1617	12200	480063
3/3/2023	-1694	1600	-1134	-2000	12200	478513
24/2/2023	1166	1900	-874	-1000	12300	480207
17/2/2023	-1856	2800	-1856	900	12300	479041
10/2/2023	16283	2000	2316	1500	12300	471394
3/2/2023	2423	2000	5008	1600	12300	455111
27/1/2023	4140	-1000	2576	2000	12200	452698
20/1/2023	533	1500	1763	1500	12200	448548

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
04/12/2023 00:00 STEO Fwd Yr Dry Nat Gas Forecast	Apr	--	101.58	101.69
04/12/2023 00:00 STEO Curr Yr Dry Nat Gas Forecast	Apr	--	100.87	100.67
04/12/2023 00:00 STEO Fwd Yr Crude Forecast	Apr	--	12.75	12.63
04/12/2023 00:00 STEO Current Yr Crude Forecast	Apr	--	12.54	12.44
04/12/2023 22:30 DOE U.S. Crude Oil Inventories	Apr-07	-1050k	597k	-3739k
04/12/2023 22:30 DOE Cushing OK Crude Inventory	Apr-07	--	-409k	-970k
04/12/2023 22:30 DOE U.S. Gasoline Inventories	Apr-07	-1900k	-330k	-4119k
04/12/2023 22:30 DOE U.S. Distillate Inventory	Apr-07	-200k	-800k	-3632k
04/12/2023 22:30 DOE U.S. Refinery Utilization	Apr-07	0.55%	-0.30%	-0.70%
04/12/2023 22:30 DOE Crude Oil Implied Demand	Apr-07	--	18408	19878
04/12/2023 22:30 DOE Gasoline Implied Demand	Apr-07	--	9720.1	10154.9
04/12/2023 22:30 DOE Distillate Implied Demand	Apr-07	--	4902.6	5373.9
04/13/2023 22:30 EIA Natural Gas Storage Change	Apr-07	27	--	-23
04/13/2023 22:30 EIA Working Natural Gas Implied Flow	Apr-07	27	--	-23
04/15/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Apr-14	--	--	590
04/15/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Apr-14	--	--	158
04/15/2023 01:00 Baker Hughes U.S. Rig Count	Apr-14	--	--	751

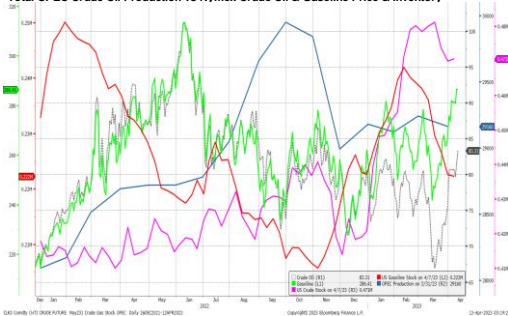
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread

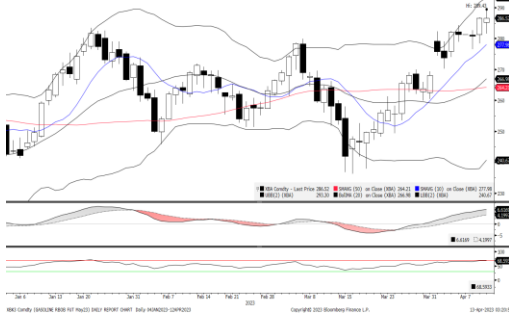


Source: Bloomberg

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:	84.51	1st Resistance:	2.124	1st Resistance:	291.58
2nd Resistance:	85.76	2nd Resistance:	2.156	2nd Resistance:	295.89
1st Support:	82.01	1st Support:	2.062	1st Support:	282.96
2nd Support:	80.76	2nd Support:	2.030	2nd Support:	278.65
MACD:	1.994	MACD:	-0.147	MACD:	6.578
MACD DIFF:	1.066	MACD DIFF:	0.013	MACD DIFF:	2.386
RSI:	69.107	RSI:	40.416	RSI:	67.898

Heating Oil		Brent Fin Last Day	
1st Resistance:	274.36	1st Resistance:	88.59
2nd Resistance:	278.42	2nd Resistance:	89.90
1st Support:	266.26	1st Support:	85.97
2nd Support:	262.20	2nd Support:	84.66
MACD:	-0.172	MACD:	1.668
MACD DIFF:	1.520	MACD DIFF:	1.002
RSI:	53.854	RSI:	67.526

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	82.01	82.83	81.60	80.76	81.57	80.36	84.51	83.66	84.93	85.76	84.90	86.19
Natural Gas	2.062	2.082	2.051	2.030	2.051	2.020	2.124	2.103	2.135	2.156	2.134	2.167
Gasoline	282.96	285.79	281.55	278.65	281.44	277.26	291.58	288.66	293.04	295.89	292.93	297.37
Heating Oil	266.26	268.92	264.92	262.20	264.82	260.89	274.36	271.62	275.74	278.42	275.64	279.81
Brent Fin Last Day	85.97	86.83	85.54	84.66	85.51	84.24	88.59	87.70	89.03	89.90	89.00	90.35

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