

**Fundamentals:**

Oil prices turned lower on Monday as the U.S. dollar strengthened and as investors mulled over a possible May interest rate hike by the U.S. Federal Reserve, which could dampen economic recovery hopes.

Brent crude futures fell \$1.55, or 1.8%, to settle at \$84.76 a barrel, while U.S. West Texas Intermediate crude dropped \$1.69, or 2.1%, at \$80.83 a barrel.

Both contracts notched their fourth weekly gain in a row last week, the longest such streak since mid-2022.

The U.S. dollar has been strengthening alongside interest rate hikes, making dollar-denominated oil more expensive for holders of other currencies. The dollar index gained around 0.6% on Monday.

Traders are betting the Fed will raise its lending rate in May by another quarter of a percentage point and have pushed out to late this year expectations of a rate cut, as typically occurs in a slowdown.

Meanwhile, the release of China's first-quarter gross domestic product (GDP) data at 0200 GMT on Tuesday is expected to be positive for commodity prices, with the International Energy Agency (IEA) forecasting it will account for most of 2023 demand growth.

However, the IEA also warned in its monthly report that output cuts announced by OPEC+ producers risked exacerbating an oil supply deficit expected in the second half of this year and could hurt consumers and a global economic recovery.

The Group of Seven (G7) coalition will keep a \$60 per barrel price cap on seaborne Russian oil, a coalition official said, despite rising global crude prices and calls by some countries for a lower price cap to restrict Moscow's revenues.

In Iraq, the federal government and the Kurdistan Regional Government (KRG) have ironed out technical issues essential to resuming northern oil exports from the Turkish port of Ceyhan to international markets, four sources told Reuters on Monday.

Turkey halted Iraq's 450,000 barrels per day (bpd) of northern exports on March 25 after an arbitration ruling by the International Chamber of Commerce (ICC), which ordered Turkey to pay Baghdad damages of \$1.5 billion for the KRG's unauthorised exports between 2014 and 2018.

In Saudi Arabia, crude oil exports in February fell to 7.455 million bpd from 7.658 million bpd in January, official data showed on Monday.

U.S. shale crude oil production in the seven biggest shale basins is expected to rise in May by 49,000 bpd to 9.33 million bpd, the highest on record, data from the Energy Information Administration showed on Monday.

U.S. natural gas futures jumped about 8% to a three-week high on Monday on forecasts for cooler weather and more heating demand over the next two weeks than previously expected.

Prices also rose as the amount of gas flowing to U.S. liquefied natural gas (LNG) export plants remained on track to hit a record high for a second month in a row in April after Freeport LNG's export plant in Texas exited an eight-month outage in February.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil	MAY 23 80.83	-1.56	82.71	80.47
Natural Gas	MAY 23 2.275	0.175	2.314	2.146
RB Gasoline	MAY 23 277.40	-5.99	283.46	275.43
Heating Oil	MAY 23 261.47	-1.47	265.12	258.38
Brent, Fin Last Day	JUN 23 84.84	-1.47	86.51	84.35
US Dollar Index		0.544	102.231	101.531

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
7/4/2023	597	-1050	-330	-1900	12300	470549
31/3/2023	-3739	-1700	-4119	-2000	12200	469952
24/3/2023	-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	452688
20/1/2023	533	1500	1763	1500	12200	448548

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
04/19/2023 22:30	DOE U.S. Crude Oil Inventories	Apr-14	--	597k
04/19/2023 22:30	DOE Cushing OK Crude Inventory	Apr-14	--	-409k
04/19/2023 22:30	DOE U.S. Gasoline Inventories	Apr-14	--	-330k
04/19/2023 22:30	DOE U.S. Distillate Inventory	Apr-14	--	-606k
04/19/2023 22:30	DOE U.S. Refinery Utilization	Apr-14	--	-0.30%
04/19/2023 22:30	DOE Crude Oil Implied Demand	Apr-14	--	18408
04/19/2023 22:30	DOE Gasoline Implied Demand	Apr-14	--	9720.1
04/19/2023 22:30	DOE Distillate Implied Demand	Apr-14	--	4902.6
04/20/2023 22:30	EIA Natural Gas Storage Change	Apr-14	--	25
04/20/2023 22:30	EIA Working Natural Gas Implied Flow	Apr-14	--	25
04/22/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Apr-21	--	588
04/22/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Apr-21	--	157
04/22/2023 01:00	Baker Hughes U.S. Rig Count	Apr-21	--	748

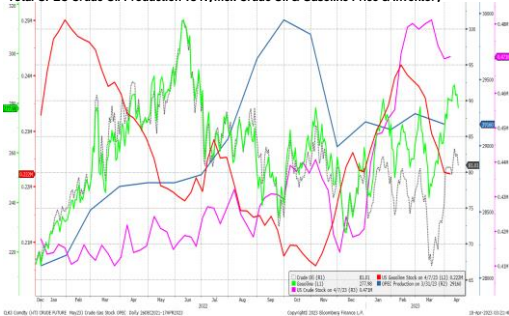
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread

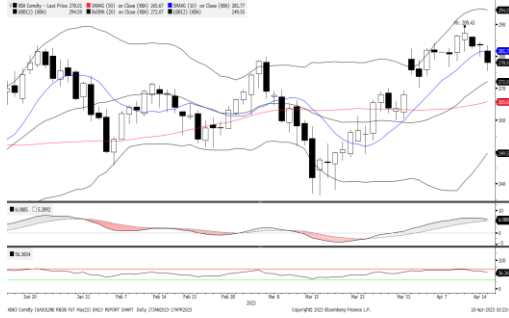


Source: Bloomberg

**Nymex Crude Daily Chart**



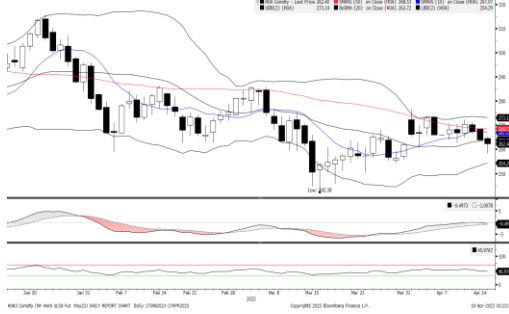
**Nymex RBOB Gasoline Daily Chart**



**Nymex Natural Gas Daily Chart**



**Nymex Heating Oil Daily Chart**



**Nymex Brent Last Day Daily Chart**



**Technical Analysis**

<b>Crude Oil</b>	1st Resistance: 82.04	2nd Resistance: 83.25	<b>Natural Gas</b>	1st Resistance: 2.309	2nd Resistance: 2.343	<b>Gasoline</b>	1st Resistance: 281.56	2nd Resistance: 285.72
	1st Support: 79.62	2nd Support: 78.41		1st Support: 2.241	2nd Support: 2.207		1st Support: 273.24	2nd Support: 269.08
	MACD: 2.106			MACD: -0.116			MACD: 6.058	
	MACD DIFF: 0.591			MACD DIFF: 0.030			MACD DIFF: 0.772	
	RSI: 59.576			RSI: 50.219			RSI: 55.902	
<b>Heating Oil</b>	1st Resistance: 265.39	2nd Resistance: 269.31	<b>Brent Fin Last Day</b>	1st Resistance: 86.11	2nd Resistance: 87.39			
	1st Support: 257.55	2nd Support: 253.63		1st Support: 83.57	2nd Support: 82.29			
	MACD: -0.492			MACD: 1.740				
	MACD DIFF: 0.513			MACD DIFF: 0.533				
	RSI: 46.029			RSI: 57.594				

**Strategy**

<b>Crude Oil</b>	Long: 79.62	Profit target: 80.41	Stop-loss: 79.22	Long: 78.41	Profit target: 79.19	Stop-loss: 78.01	Short: 82.04	Profit target: 81.22	Stop-loss: 82.45	Short: 83.25	Profit target: 82.42	Stop-loss: 83.67
<b>Natural Gas</b>	2.241	2.263	2.230	2.207	2.229	2.196	2.309	2.286	2.321	2.343	2.320	2.355
<b>Gasoline</b>	273.24	275.97	271.87	269.08	271.77	267.73	281.56	278.75	282.97	285.72	282.86	287.15
<b>Heating Oil</b>	257.55	260.12	256.26	253.63	256.16	252.36	265.39	262.74	266.72	269.31	266.62	270.66
<b>Brent Fin Last Day</b>	83.57	84.40	83.15	82.29	83.12	81.88	86.11	85.25	86.54	87.39	86.51	87.82

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.