

**Fundamentals:**

Oil prices slid about 2% to a two-week low on Wednesday despite a sharp decline in U.S. crude inventories, as the dollar strengthened on fears that looming Federal Reserve interest rate hikes could curb energy demand in the world's top consumer.

A stronger U.S. dollar can hurt global demand for oil by making it more expensive in other countries. Investors were also discouraged by still high inflation in Europe and uneven economic data in China, the world's biggest crude importer.

Brent futures for June delivery fell \$1.65, or 2.0%, to settle at \$83.12 a barrel. West Texas Intermediate crude (WTI) for May delivery fell \$1.70, or 2.1%, to settle at \$79.16, while the June WTI contract, which becomes the U.S. front-month at the end of trading on Thursday, also lost 2.1% to settle at \$79.24.

Those were the lowest closes for both benchmarks since March 31, erasing most of the price gains since the surprise oil output cut announced on April 2 by the Organization of the Petroleum Exporting Countries, Russia and other allies in the OPEC+ group.

U.S. crude stockpiles fell by a bigger-than-expected 4.6 million barrels last week as refinery runs and exports rose, while gasoline inventories jumped unexpectedly on disappointing demand, according to the U.S. Energy Information Administration (EIA).

That was far more than analyst forecasts for a 1.1 million-barrel crude decline, and the American Petroleum Institute's estimates late Tuesday of a 2.7 million-barrel draw.

In China, stock markets closed lower due to uneven first-quarter data indicating a bumpy economic recovery after the country dropped its strict zero-COVID-19 policy.

Stock market indexes around the world also slipped after back-to-back gains as investors digested the latest earnings reports, while British inflation data hardened expectations of further interest rate rises by the U.S. Federal Reserve and other central banks.

The Fed is likely to have one more interest rate rise in store, Atlanta Fed President Raphael Bostic said on Tuesday.

U.S. economic activity was little changed in recent weeks as employment growth moderated somewhat and price increases appeared to slow, according to a Fed report.

European Central Bank officials meanwhile remained wary of inflation and have suggested further rate hikes also.

Adding more pressure on oil benchmarks, Asian refiners have continued to snap up Russian crude in April. India and China have bought the vast majority of Russian oil so far in April at prices above the Western price cap of \$60 a barrel, according to traders and Reuters calculations.

Oil loadings from Russia's western ports in April will rise to the highest since 2019, above 2.4 million barrels per day, despite Moscow's pledge to cut output, trading and shipping sources said.

In the U.S., meanwhile, heating oil futures closed at their lowest since January 2022 for a second day in a row on low diesel demand.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil	MAY 23 79.16	-1.92	81.18	78.46
Natural Gas	MAY 23 2.222	-0.173	2.383	2.191
RB Gasoline	MAY 23 264.55	-11.19	275.38	263.90
Heating Oil	MAY 23 255.77	-4.93	260.19	254.57
Brent, Fin Last Day	JUN 23 82.91	-1.86	85.15	82.41
US Dollar Index		0.203	102.228	101.656

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
14/4/2023	-4581	-250	1299	-1250	12300	465968
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	-874	1900	-874	-1000	12300	480207
17/2/2023	7647	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

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
04/19/2023 22:30	DOE U.S. Crude Oil Inventories	Apr-14 -250k	-4581k	597k
04/19/2023 22:30	DOE Cushing OK Crude Inventory	Apr-14 --	-1088k	-409k
04/19/2023 22:30	DOE U.S. Gasoline Inventories	Apr-14 -1250k	1299k	-330k
04/19/2023 22:30	DOE U.S. Distillate Inventory	Apr-14 -850k	-355k	-606k
04/19/2023 22:30	DOE U.S. Refinery Utilization	Apr-14 1.70%	1.70%	-0.30%
04/19/2023 22:30	DOE Crude Oil Implied Demand	Apr-14 --	1924k	1840k
04/19/2023 22:30	DOE Gasoline Implied Demand	Apr-14 --	9462.1	9720.1
04/19/2023 22:30	DOE Distillate Implied Demand	Apr-14 --	4913.7	4902.6
04/20/2023 22:30	EIA Natural Gas Storage Change	Apr-14 70	--	25
04/20/2023 22:30	EIA Working Natural Gas Implied Flow	Apr-14 70	--	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

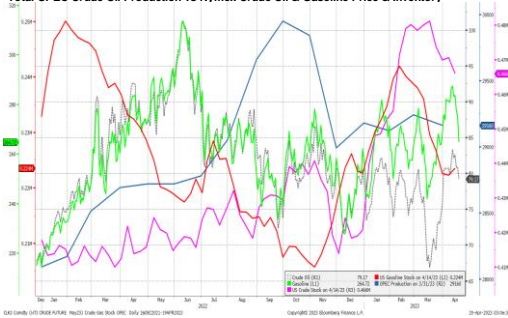
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread

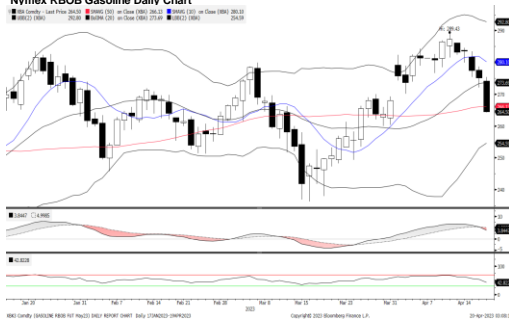


Source: Bloomberg

**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: 80.35	2nd Resistance: 81.53	<b>Natural Gas</b>	1st Resistance: 2.255	2nd Resistance: 2.289	<b>Gasoline</b>	1st Resistance: 268.52	2nd Resistance: 272.49
	1st Support: 77.97	2nd Support: 76.79		1st Support: 2.189	2nd Support: 2.155		1st Support: 260.58	2nd Support: 256.61
	MACD: 1.754			MACD: -0.084			MACD: -3.799	
	MACD DIFF: 0.115			MACD DIFF: 0.041			MACD DIFF: -1.193	
	RSI: 52.450			RSI: 46.703			RSI: 42.368	
<b>Heating Oil</b>	1st Resistance: 259.61	2nd Resistance: 263.44	<b>Brent Fin Last Day</b>	1st Resistance: 84.15	2nd Resistance: 85.40			
	1st Support: 251.93	2nd Support: 248.10		1st Support: 81.67	2nd Support: 80.42			
	MACD: -1.625			MACD: 1.404				
	MACD DIFF: -0.495			MACD DIFF: 0.089				
	RSI: 39.273			RSI: 50.733				

**Strategy**

<b>Crude Oil</b>	Long: 77.97	Profit target: 78.75	Stop-loss: 77.58	Long: 76.79	Profit target: 77.55	Stop-loss: 76.40	Short: 80.35	Profit target: 79.54	Stop-loss: 80.75	Short: 81.53	Profit target: 80.72	Stop-loss: 81.94
<b>Natural Gas</b>	2.189	2.211	2.178	2.155	2.177	2.145	2.255	2.239	2.267	2.289	2.266	2.300
<b>Gasoline</b>	260.58	263.19	259.28	256.61	259.18	255.33	268.52	265.83	269.86	272.49	269.76	273.85
<b>Heating Oil</b>	251.93	254.45	250.67	248.10	250.58	246.86	259.61	257.01	260.90	263.44	260.81	264.76
<b>Brent Fin Last Day</b>	81.67	82.48	81.26	80.42	81.23	80.02	84.15	83.31	84.57	85.40	84.54	85.82

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