

Fundamentals:

Oil benchmarks jumped 6% on Monday, the day after the OPEC+ group jolted markets with plans to cut more production, raising fears of tightening supplies while some warned of reduced demand if oil refiners flinch at paying higher prices for crude.

Brent crude settled higher by \$5.04, or 6.3%, at \$84.93 a barrel, after touching its highest since March 7 at \$86.44. West Texas Intermediate crude settled up by \$4.75, or 6.3%, at \$80.42 a barrel after rising to a two-month high during the session.

The Organization of the Petroleum Exporting Countries and allies including Russia, a group known as OPEC+, shook markets with Sunday's announcement that it will lower its production target by a further 1.16 million barrels per day (bpd).

The latest pledges bring the total volume of cuts by OPEC+ to 3.66 million bpd including a 2 million barrel cut last October, according to Reuters calculations, equal to about 3.7% of global demand.

U.S. President Joe Biden's administration said it was given a "heads up" on the production cut and told Saudi officials that it disagreed with it.

OPEC had described the cuts as precautionary. Analysts said a weakening economy and rising oil stockpiles supported the decision. Last month, Brent prices had traded near \$70 a barrel, a 15-month low, on fears of weakening demand.

U.S. manufacturing activity slumped to the lowest level in nearly three years in March and could decline further on higher credit and higher borrowing costs.

Long-term, however, demand for energy could slump if oil refiners lower activity to counter rising input costs. Lower refining output could push prices at the pump to near last year's record \$5 a gallon levels, Mizuho's Yawger said.

The crack spread, or profit refiners make in converting crude oil to products, on Monday traded at its lowest since Feb. 24. The U.S. gasoline futures contract rose almost 8% to its highest since January and settled at \$2.76 a gallon, up about 2.1%.

U.S. natural gas futures dropped about 5% on Monday on rising output and forecasts for milder weather and less heating demand than previously expected, which should allow utilities to start injecting gas into stockpiles this week.

That price decline occurred despite a rise in the amount of gas flowing to liquefied natural gas (LNG) export plants to a record high in March after Freeport LNG's export plant in Texas exited an eight-month outage in February and returned to full power over the past week. Freeport LNG shut in June 2022 after a fire.

Front-month gas futures for May delivery on the New York Mercantile Exchange (NYMEX) fell 11.9 cents, or 5.4%, to settle at \$2.097 per million British thermal units. On Friday, the contract jumped 5% to close at its highest since March 24.

The market has been extremely volatile in recent weeks with the front-month gaining or losing more than 5% in 12 of the past 22 trading days.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil MAY 23	80.42	4.97	81.69	79.00
Natural Gas MAY 23	2.097	-0.102	2.160	2.015
RB Gasoline MAY 23	275.75	8.66	282.32	274.32
Heating Oil MAY 23	266.26	4.90	276.42	265.09
Brent Fin Last Day JUN 23	85.09	5.20	86.24	83.29
US Dollar Index	102.05	-0.458	103.058	101.982

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
24/3/2023	-7489	1750	-2904	-2250	12200	473691
17/3/2023	11117	11117	-1800	-6399	-2364	12300
10/3/2023	1550	1500	-2061	-1617	12200	460063
3/3/2023	-1694	1600	-1134	-2000	12200	478513
24/2/2023	1166	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	5008	2000	5008	1600	12300	455111
27/1/2023	4140	-1000	2576	2000	12200	452688
20/1/2023	533	1500	1763	1500	12200	448548
13/1/2023	8408	-3000	3483	2400	12200	448015
6/1/2023	18961	-2000	4114	750	12200	439607

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
04/05/2023 22:30 DOE U.S. Crude Oil Inventories	Mar-31	--	--	-7489k
04/05/2023 22:30 DOE Cushing OK Crude Inventory	Mar-31	--	--	-1632k
04/05/2023 22:30 DOE U.S. Gasoline Inventories	Mar-31	--	--	-2904k
04/05/2023 22:30 DOE U.S. Distillate Inventories	Mar-31	--	--	281k
04/05/2023 22:30 DOE U.S. Refinery Utilization	Mar-31	--	--	1.70%
04/05/2023 22:30 DOE Crude Oil Implied Demand	Mar-31	--	--	18595
04/05/2023 22:30 DOE Gasoline Implied Demand	Mar-31	--	--	9970.9
04/05/2023 22:30 DOE Distillate Implied Demand	Mar-31	--	--	4736.9
04/05/2023 22:30 EIA Natural Gas Storage Change	Mar-31	--	--	-47
04/05/2023 22:30 EIA Working Natural Gas Implied Flow	Mar-31	--	--	-47
04/07/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Apr-07	--	--	592
04/07/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Apr-07	--	--	160
04/07/2023 01:00 Baker Hughes U.S. Rig Count	Apr-07	--	--	755

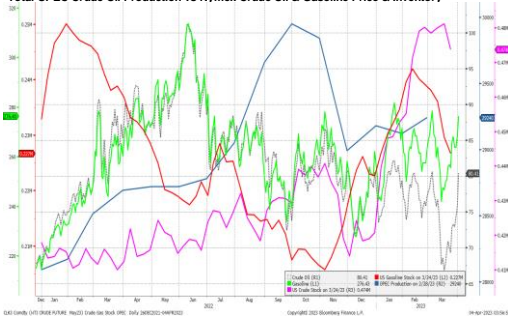
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



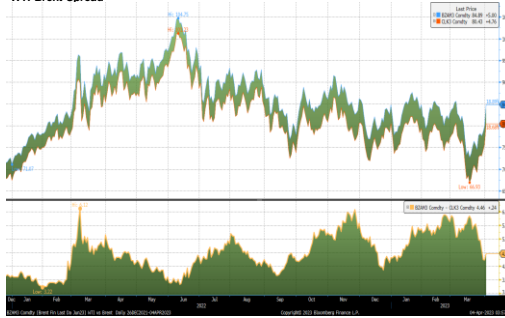
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



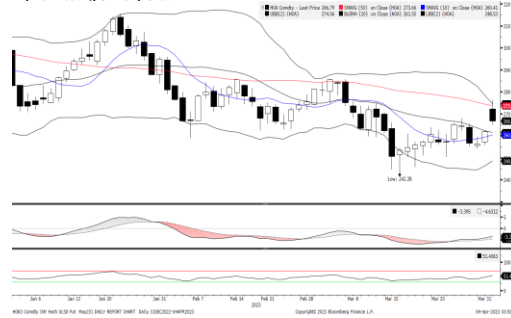
Nymex RBOB Gasoline Daily Chart



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:	81.63	2nd Resistance:	82.83	1st Resistance:	2.128	2nd Resistance:	2.160	1st Resistance:	279.89	2nd Resistance:	284.02
1st Support:	79.21	2nd Support:	78.01	1st Support:	2.066	2nd Support:	2.034	1st Support:	271.61	2nd Support:	267.48
MACD:	-0.103			MACD:	-0.175			MACD:	1.939		
MACD DIFF:	1.130			MACD DIFF:	-0.019			MACD DIFF:	2.312		
RSI:	65.601			RSI:	37.590			RSI:	63.732		
Heating Oil			Brent Fin Last Day								
1st Resistance:	270.25	2nd Resistance:	274.25	1st Resistance:	86.37	2nd Resistance:	87.64				
1st Support:	262.27	2nd Support:	258.27	1st Support:	83.61	2nd Support:	82.54				
MACD:	-3.362			MACD:	-0.356						
MACD DIFF:	1.247			MACD DIFF:	0.987						
RSI:	51.571			RSI:	64.202						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	79.21	80.01	78.82	78.01	78.79	77.62	81.63	80.81	82.03	82.83	82.00	83.25
Natural Gas	2.066	2.086	2.055	2.034	2.054	2.024	2.128	2.107	2.139	2.160	2.138	2.171
Gasoline	271.61	274.33	270.26	267.48	270.15	266.14	279.89	277.09	281.29	284.02	281.18	285.44
Heating Oil	262.27	264.89	260.95	258.27	260.85	256.98	270.25	267.55	271.61	274.25	271.51	275.62
Brent Fin Last Day	83.81	84.65	83.39	82.54	83.36	82.12	86.37	85.50	86.80	87.64	86.77	88.08

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