

Fundamentals:

Oil prices rose over 3% on Friday, as investors took profits after prices slumped to four-month lows during the previous session, while U.S. sanctions on some Russian oil shippers lent some support.

Brent futures rose \$2.75, or about 3.6%, to \$80.17 a barrel by 12:00 p.m. (1700 GMT). U.S. West Texas Intermediate crude (WTI) was at \$75.37, up \$2.47, or 3.4%.

"You're getting a natural profit-taking rebound and short covering, to a degree," said John Kilduff, partner at Again Capital LLC in New York.

Supporting prices on Friday was news that the U.S. imposed sanctions this week on maritime companies and vessels for shipping Russian oil sold above the Group of Seven's price cap, potentially limiting oil supply.

Both benchmarks were on track still for their fourth straight week of losses, with WTI set to fall about 2.3% and Brent 1.8%.

A steep rise in U.S. crude inventories and a sustained record level of production triggered the oil market's decline this week, while China's deepening property crisis and slowing industrial growth also weighed.

"Demand growth from China has been falling short of expectations," said Andrew Lipow, president of Lipow Oil Associates.

The precipitous drop on Thursday had some analysts questioning whether the selloff was overdone, particularly in light of escalating tensions in the Middle East that could disrupt oil supplies and the U.S. vowing to enforce sanctions against Hamas-backer Iran.

With Brent below \$80 a barrel, a barrage of analysts now expect OPEC+, principally Saudi Arabia and Russia, to extend their voluntary cuts into 2024.

"Oil prices are down slightly this year despite demand exceeding our optimistic expectations," Goldman Sachs analysts said in a note.

"Non-core OPEC supply has been much stronger than expected, partly offset by OPEC cuts."

For 2023, the United States, which makes up two-thirds of non-OPEC+ growth, is forecast to deliver annual gains of 1.4 million barrels per day (bpd), according to the International Energy Agency (IEA).

Meanwhile, inflation in the euro zone appears to be thawing. On Friday, the EU's statistics office confirmed annual inflation slowed sharply.

(Source: Bloomberg, Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	DEC 23 75.89	2.89	75.99	72.75
Natural Gas	DEC 23 2.960	-0.110	3.112	2.893
RB Gasoline	DEC 23 218.45	8.32	219.50	209.65
Heating Oil	DEC 23 277.25	2.19	282.26	272.06
Brent, Fin Last Day, JAN 24	80.51	3.09	80.80	77.28
US Dollar Index	103.94	-0.406	104.55	103.874

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil Inventory	
	Actual	Survey	Actual	Survey	Production	Inventory
20/10/2023	1372	-450	156	-1266	13200	421120
13/10/2023	-4491	-550	-2370	-100	13200	419748
6/10/2023	10176	-1400	-1313	-1000	13200	424239
29/9/2023	-2224	50	6481	-300	12900	414083
22/9/2023	-2169	-900	1027	-500	12900	416287
15/9/2023	-2136	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-2666	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-2191	-214	-1250	12800	422944
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
11/16/2023 23:30	EIA Natural Gas Storage Change	Nov-10	38	79
11/16/2023 23:30	EIA Working Natural Gas Implied Flow	Nov-10	38	79
11/18/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-17	--	494
11/18/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-17	--	118
11/18/2023 02:00	Baker Hughes U.S. Rig Count	Nov-17	--	616
11/22/2023 23:30	DOE U.S. Crude Oil Inventories	Nov-17	--	3592k
11/22/2023 23:30	DOE Cushing OK Crude Inventory	Nov-17	--	1925k
11/22/2023 23:30	DOE U.S. Gasoline Inventories	Nov-17	--	1540k
11/22/2023 23:30	DOE Crude Oil Implied Demand	Nov-17	--	19060
11/22/2023 23:30	DOE Gasoline Implied Demand	Nov-17	--	9780.7
11/23/2023 01:00	EIA Natural Gas Storage Change	Nov-17	--	60
11/23/2023 01:00	EIA Working Natural Gas Implied Flow	Nov-17	--	60
11/23/2023 02:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-24	--	--
11/23/2023 02:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-24	--	--
11/23/2023 02:00	Baker Hughes U.S. Rig Count	Nov-24	--	--

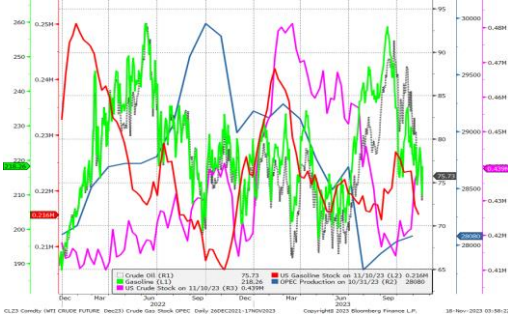
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



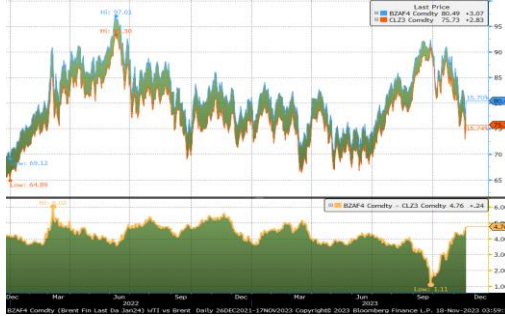
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread

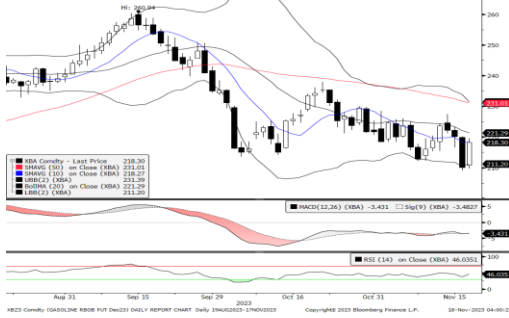


Source: Bloomberg

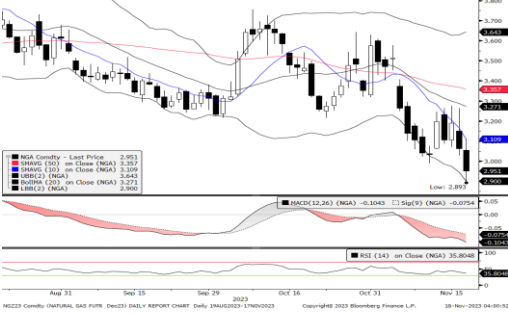
Nymex Crude Daily Chart



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: 77.03	1st Resistance: 3.004	1st Resistance: 221.73
2nd Resistance: 78.17	2nd Resistance: 3.049	2nd Resistance: 225.00
1st Support: 74.75	1st Support: 2.916	1st Support: 215.17
2nd Support: 73.61	2nd Support: 2.871	2nd Support: 211.90
MACD: -2.444	MACD: -0.104	MACD: -3.421
MACD DIFF: -0.430	MACD DIFF: -0.029	MACD DIFF: 0.060
RSI: 40.134	RSI: 35.832	RSI: 46.151

Heating Oil	Brent Fin Last Day
1st Resistance: 281.41	1st Resistance: 81.72
2nd Resistance: 285.57	2nd Resistance: 82.93
1st Support: 273.09	1st Support: 79.30
2nd Support: 268.93	2nd Support: 78.09
MACD: -5.639	MACD: -2.043
MACD DIFF: -0.820	MACD DIFF: -0.424
RSI: 40.906	RSI: 41.838

Strategy

Crude Oil	Natural Gas	Gasoline	Heating Oil	Brent Fin Last Day
Long: 74.75	Long: 73.61	Long: 215.17	Long: 273.09	Long: 79.30
Profit target: 75.50	Profit target: 74.35	Profit target: 217.32	Profit target: 275.82	Profit target: 80.10
Stop-loss: 74.38	Stop-loss: 73.25	Stop-loss: 214.10	Stop-loss: 271.73	Stop-loss: 78.91
Short: 78.17	Short: 2.871	Short: 222.84	Short: 285.57	Short: 82.13
Profit target: 77.59	Profit target: 2.900	Profit target: 219.51	Profit target: 282.71	Profit target: 82.10
Stop-loss: 78.56	Stop-loss: 2.857	Stop-loss: 220.84	Stop-loss: 287.00	Stop-loss: 83.34

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