

Fundamentals:

Oil prices edged higher in choppy trading on Monday as markets weighed a return in demand from China against supply concerns and fears of slower growth in major economies curbing consumption.

Brent futures for April delivery rose \$1.05, or 1.3%, to \$80.99 a barrel, after trading between \$79.10 and \$81.25.

West Texas Intermediate crude (WTI) gained 72 cents, or 1%, to \$74.11 per barrel, after hitting a high of \$74.41 and a low of \$72.25.

Prices were buoyed by prospects for China's recovery after the relaxation of COVID-19 restrictions.

The International Energy Agency (IEA) expects half of this year's global oil demand growth to come from China, the agency's chief said on Sunday, adding that jet fuel demand was surging.

Holding back gains however, Friday's blowout U.S. employment number raised expectations that the Federal Reserve's rate hikes will not end with a hard economic landing, and that the U.S. central bank may have more than one more rate increase left, which could curb economic growth and lower fuel demand.

The dollar also rose to a three-week high against the euro on Monday. A stronger dollar typically reduces demand for dollar-denominated oil from buyers paying with other currencies.

WTI and Brent had slid 3% last Friday after the strong U.S. jobs data.

Supply concerns continued to affect markets as operations at Turkey's oil terminal in Ceyhan halted after a major earthquake hit the region.

The BTC terminal, which exports Azeri crude oil to international markets, will be closed on Feb. 6-8 while operators assess earthquake damage, a Turkish shipping agent said.

However, a preliminary Reuters poll showed that U.S. crude oil stockpiles likely rose by about 2.2 million last week.

Also, price caps on Russian products took effect on Sunday, with Group of Seven nations, the European Union and Australia agreeing on limits of \$100 a barrel on diesel and other products that trade at a premium to crude and \$45 a barrel for products that trade at a discount, such as fuel oil.

US natural gas futures rose after seven straight weeks of losses sent prices to the lowest since late 2020.

Gas for March settled up 2% at \$2.457 per mmbtu on the New York Mercantile Exchange.

European natural gas steadied, with traders weighing increased heating demand against plentiful supplies and expectations for milder weather returning soon.

Benchmark futures settled 0.4% higher, after swinging between gains and losses. Storage levels have dropped recently as a cold snap hit much of the region, but inventories are still far above a five-year average. The weather is expected to turn warmer next week, according to forecaster Maxar Technologies Inc.

(Source: Reuters, Bloomberg)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	MAR 23 74.11	1.07	74.51	72.25	
Natural Gas	MAR 23 2.457	0.079	2.495	2.365	
RB Gasoline	MAR 23 237.34	6.05	238.42	227.20	
Heating Oil	MAR 23 276.87	-0.53	281.42	266.53	
Brent Fin Last Day	APR 23 81.35	1.41	81.40	79.09	
US Dollar Index		103.63	0.714	103.765	103.008

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
27/01/2023	4140	-1000	2576	2000	12200	452688
20/01/2023	533	1500	1763	2000	12200	448548
13/01/2023	8408	-3000	3483	2400	12200	448015
06/01/2023	18961	-2000	4114	750	12200	439607
30/12/2022	1694	1500	-346	-1000	12100	420546
23/12/2022	718	-1200	-3105	500	12000	418952
16/12/2022	-5895	2500	2530	2000	12100	418234
09/12/2022	4496	-3500	4496	2500	12100	424129
02/12/2022	-5186	-3418	5319	2474	12200	413898
25/11/2022	-12581	-3123	2770	2250	12100	419084
18/11/2022	-3690	-2614	3058	1150	12100	431665
11/11/2022	-5400	-1900	2207	200	12100	435355

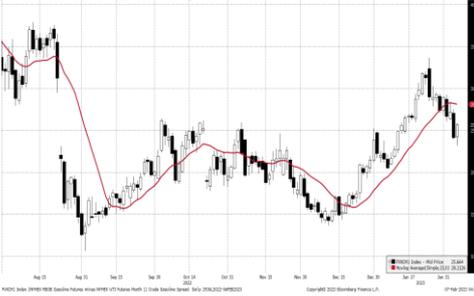
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
02/08/2023 01:00	STEO Fwd Yr Dry Nat Gas Forecast	Feb	--	-- 102.29
02/08/2023 01:00	STEO Curr Yr Dry Nat Gas Forecast	Feb	--	-- 100.34
02/08/2023 01:00	STEO Fwd Yr Crude Forecast	Feb	--	-- 12.81
02/08/2023 01:00	STEO Current Yr Crude Forecast	Feb	--	-- 12.41
02/08/2023 23:30	DOE U.S. Crude Oil Inventories	Feb-03	--	-- 4140k
02/08/2023 23:30	DOE Cushing OK Crude Inventory	Feb-03	--	-- 2315k
02/08/2023 23:30	DOE U.S. Gasoline Inventories	Feb-03	--	-- 2576k
02/08/2023 23:30	DOE U.S. Distillate Inventory	Feb-03	--	-- 2320k
02/08/2023 23:30	DOE U.S. Refinery Utilization	Feb-03	--	-- -0.40%
02/08/2023 23:30	DOE Crude Oil Implied Demand	Feb-03	--	-- 18892
02/08/2023 23:30	DOE Gasoline Implied Demand	Feb-03	--	-- 9416.4
02/08/2023 23:30	DOE Distillate Implied Demand	Feb-03	--	-- 4673.6
02/08/2023 23:30	EIA Natural Gas Storage Change	Feb-03	--	-- -151
02/09/2023 23:30	EIA Working Natural Gas Implied Flow	Feb-03	--	-- -151

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:	75.22	2nd Resistance:	76.33	1st Resistance:	2.494	2nd Resistance:	2.531	1st Resistance:	240.90	2nd Resistance:	244.46
1st Support:	73.00	2nd Support:	71.89	1st Support:	2.420	2nd Support:	2.383	1st Support:	233.78	2nd Support:	230.22
MACD:	-0.630			MACD:	-0.483			MACD:	1.421		
MACD DIFF:	-0.711			MACD DIFF:	0.016			MACD DIFF:	-3.395		
RSI:	39.675			RSI:	25.377			RSI:	44.500		

Heating Oil				Brent Fin Last Day			
1st Resistance:	281.02	2nd Resistance:	285.18	1st Resistance:	82.57	2nd Resistance:	83.79
1st Support:	272.72	2nd Support:	268.56	1st Support:	80.13	2nd Support:	78.91
MACD:	-5.388			MACD:	-0.236		
MACD DIFF:	-5.829			MACD DIFF:	-0.654		
RSI:	34.544			RSI:	43.168		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	73.00	73.73	72.63	71.89	72.61	71.53	75.22	74.47	75.60	76.33	75.57	76.71
Natural Gas	2.420	2.444	2.408	2.383	2.407	2.371	2.494	2.469	2.506	2.531	2.505	2.543
Gasoline	233.78	236.12	232.61	230.22	232.52	229.07	240.90	238.49	242.10	244.46	242.02	245.68
Heating Oil	272.72	275.44	271.35	268.56	271.25	267.22	281.02	278.21	282.43	285.18	282.32	286.60
Brent Fin Last Day	80.13	80.93	79.73	78.91	79.70	78.51	82.57	81.74	82.98	83.79	82.95	84.21

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