

Fundamentals:

Oil prices dipped on the first trading day of 2026 after registering their biggest annual loss since 2020, as investors weighed oversupply concerns against geopolitical risks, including the war in Ukraine and Venezuela exports.

Brent crude futures lost 39 cents to \$60.46 a barrel by 12:25 p.m. ET (17:25 GMT). U.S. West Texas Intermediate crude was down 37 cents at \$57.05.

Russia and Ukraine traded allegations of attacks on civilians on New Year's Day despite talks overseen by U.S. President Donald Trump, aimed at ending the nearly four-year-old war. Kyiv has been intensifying strikes against Russian energy infrastructure, aiming to cut off Moscow's sources of financing for its military campaign.

The Trump administration ratcheted up pressure on Venezuelan President Nicolas Maduro on Wednesday, imposing sanctions on four companies and associated oil tankers it said were operating in Venezuela's oil sector.

Trump also threatened to aid protesters in Iran if security forces fire on them, days into unrest that has left News Story and posed the biggest internal threat in years to Iranian authorities.

"Despite all these geopolitical concerns, the oil market seems unmoved. Oil prices are locked in this long-term trading range, and there's a sense that the market is going to be well supplied no matter what happens," said Phil Flynn, senior analyst with the Price Futures Group.

In the Middle East, a crisis between OPEC producers Saudi Arabia and the United Arab Emirates over Yemen has deepened after flights were halted at Aden's airport on Thursday.

OPEC+, the Organization of the Petroleum Exporting Countries and allied producers, is due to meet on January 4. Traders widely expect the group to continue pausing output increases in the first quarter, said Sparta Commodities analyst June Goh.

"2026 will be an important year on assessing OPEC+ decisions for balancing supply," she said, adding that China would continue to build crude stockpiles in the first half, providing a floor for oil prices.

The Brent and WTI benchmarks each lost nearly 20% in 2025, the steepest since 2020. It was the third straight year of losses for Brent, the longest such streak on record.

Phillip Nova analyst Priyanka Sachdeva said the muted price movement reflected a struggle between short-term geopolitical risks and longer-term market fundamentals that point towards oversupply.

U.S. natural gas futures began the year on a weak note on Friday, weighed down by forecasts for warmer weather and expectations of slower demand growth.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	FEB 26 57.32	-0.13	57.93	56.60
Natural Gas	FEB 26 3.618	-0.042	3.703	3.563
RB Gasoline	FEB 26 169.62	-1.39	172.67	168.47
Heating Oil	FEB 26 211.51	-0.61	214.56	209.80
Brent Fin Last Day	MAR 26 60.75	-0.10	61.36	60.00
US Dollar Index		0.137	98.494	98.145

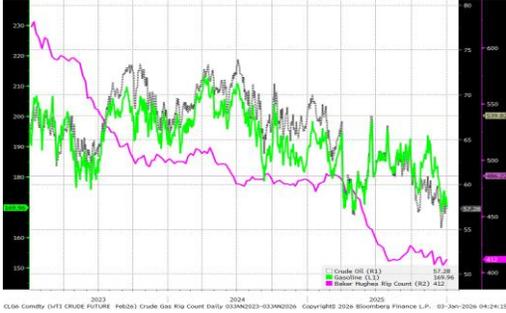
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
26/12/2025	-1934	500	5845	1950	13827	422888
19/12/2025	405	-2000	2862	1100	13825	424822
12/12/2025	-1274	-2050	4838	1950	13943	424417
5/12/2025	-1812	-1300	6397	2043	13853	425691
28/11/2025	574	-2000	4518	1000	13815	427503
21/11/2025	2774	-2363	2513	1163	13814	426929
14/11/2025	-3426	-1700	2327	50	13834	424155
7/11/2025	6413	1500	-945	-2459	13862	427581
31/10/2025	5202	-286	-4729	-1847	13651	421168
24/10/2025	-6858	1203	-5941	-1917	13644	415966
17/10/2025	-961	2181	-2147	-1653	13629	422824
10/10/2025	3524	-1200	-267	-1000	13636	423785

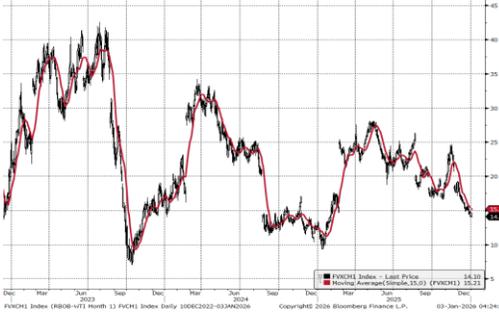
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
12/31/2025 02:00 Baker Hughes U.S. Rig Count	Jan-26	--	546	545
12/31/2025 02:00 Baker Hughes U.S. Rotary Gas Rigs	Jan-26	--	125	127
12/31/2025 02:00 Baker Hughes U.S. Rotary Oil Rigs	Jan-26	--	412	409
12/31/2025 23:30 DOE U.S. Crude Oil Inventories	26-Dec	500k	-1934k	405k
12/31/2025 23:30 DOE Cushing OK Crude Inventory	26-Dec	--	543k	707k
12/31/2025 23:30 DOE U.S. Gasoline Inventories	26-Dec	1950k	5845k	2862k
12/31/2025 23:30 DOE U.S. Distillate Inventory	26-Dec	1550k	4977k	202k
12/31/2025 23:30 DOE U.S. Refinery Utilization	26-Dec	0.50%	0.10%	-0.20%
12/31/2025 23:30 DOE Crude Oil Implied Demand	26-Dec	--	1905k	1985k
12/31/2025 23:30 DOE Gasoline Implied Demand	26-Dec	--	9464.3	9900
12/31/2025 23:30 DOE Distillate Implied Demand	26-Dec	--	4806	5462.1
01/01/2026 01:00 EIA Natural Gas Storage Change	26-Dec	-51	-38	-166
01/01/2026 01:00 EIA Working Natural Gas Implied Flow	26-Dec	-51	-38	-166

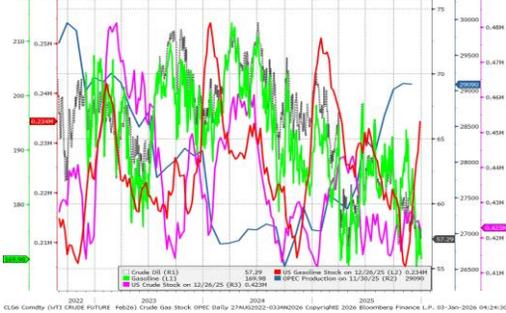
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



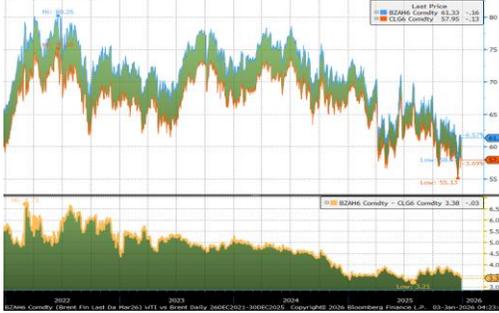
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil	1st Resistance: 58.18	2nd Resistance: 59.04	Natural Gas	1st Resistance: 3.672	2nd Resistance: 3.727	Gasoline	1st Resistance: 172.37	2nd Resistance: 174.91
	1st Support: 56.46	2nd Support: 55.60		1st Support: 3.564	2nd Support: 3.509		1st Support: 167.27	2nd Support: 164.73
	MACD: -0.299			MACD: -0.129			MACD: -2.844	
	MACD DIFF: 0.117			MACD DIFF: -0.007			MACD DIFF: 0.020	
	RSI: 46.770			RSI: 40.112			RSI: 37.324	
Heating Oil	1st Resistance: 214.68	2nd Resistance: 217.86	Brent Fin Last Day	1st Resistance: 61.66	2nd Resistance: 62.57			
	1st Support: 208.34	2nd Support: 205.16		1st Support: 59.94	2nd Support: 58.93			
	MACD: -4.750			MACD: -0.368				
	MACD DIFF: 0.022			MACD DIFF: 0.110				
	RSI: 38.731			RSI: 46.144				

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