

Fundamentals:

Oil prices extended declines on Wednesday as investors digested statements from President Donald Trump that the U.S. had reached a deal to import up to \$2 billion worth of Venezuelan crude, a move that would increase supplies to the world's largest oil consumer.

Brent crude futures lost 14 cents, or 0.2%, to \$60.56 a barrel by 1335 GMT, after earlier in the session falling to \$59.88 a barrel. U.S. West Texas Intermediate crude fell 36 cents, or 0.6%, to \$56.77 a barrel, after dropping to as low as \$55.76.

Both benchmarks dropped over \$1 during the previous trading session, as market participants expected ample global supply this year.

The deal between Washington and Caracas could initially require cargoes that were bound for China to be rerouted, sources told Reuters. Venezuela has millions of barrels of oil loaded on tankers and in storage tanks that it has been unable to ship since mid-December due to a blockade on exports imposed by Trump.

The blockade was part of a U.S. pressure campaign against Venezuelan President Nicolas Maduro's government that culminated in U.S. forces capturing him over the weekend. Top Venezuelan officials have called Maduro's capture a kidnapping and accused the U.S. of trying to steal the country's vast oil reserves.

Venezuela will be "turning over" between 30 million and 50 million barrels of "sanctioned oil" to the U.S., Trump wrote in a social media post on Tuesday.

While the news initially drove oil futures down, prices pared some of the losses throughout Wednesday.

"The volumes are quite small in a larger context," SEB commodities analyst Ole Hvalbye said. "If you look at the U.S. SPR in total, that's now 413 million barrels. So comparing that to 30 or 50 million barrels, the volumes are not so substantial."

Adding to geopolitical risk, the United States was attempting to seize a Venezuela-linked oil tanker after a more than two-week-long pursuit across the Atlantic, two U.S. officials told Reuters on Wednesday. The seizure, which could stoke tensions with Russia, came after the tanker, originally known as the Bella 1, slipped through a U.S. maritime "blockade" of sanctioned tankers and rebuffed U.S. Coast Guard efforts to board it.

Morgan Stanley analysts estimated the oil market could reach a surplus of as many as 3 million barrels per day in the first half of 2026, based on weak growth in demand last year and rising supply from OPEC and non-OPEC producers.

However, the prospect of higher, cheaply extracted Venezuelan oil exports could cause expansion of productive capacity in the U.S. and elsewhere, analysts at BMI, a unit of Fitch Solutions, said in a note on Wednesday.

Venezuela has been selling its flagship crude grade, Meruy, at around \$22 per barrel below Brent for delivery at its ports.

"That raises the expected price of oil over the medium term, especially if the Venezuelan regime survives," the BMI analysts said.

U.S. natural gas futures jumped about 4% on Wednesday on a decline in output and forecasts for cooler weather and more heating demand this week than previously expected.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	FEB 26	56.99	-0.83	57.17	55.76
Natural Gas	FEB 26	3.525	0.214	3.591	3.419
RB Gasoline	FEB 26	169.45	0.09	172.10	168.26
Heating Oil	FEB 26	205.67	-1.71	209.62	204.69
Brent Fin Last Day	MAR 26	60.28	-0.44	60.91	59.45
US Dollar Index		98.75	0.166	98.747	98.497

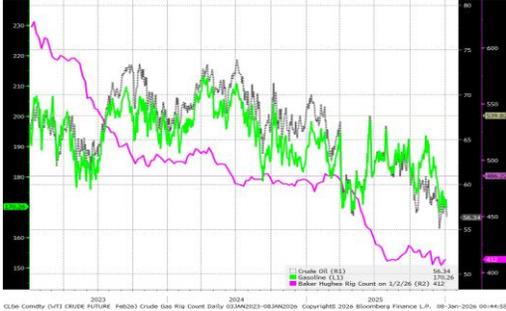
Bloomberg Survey on U.S. Total Change in Inventories

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

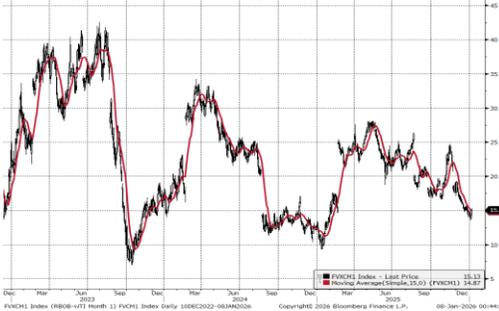
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
01/01/2026 01:00	EIA Natural Gas Storage Change	Dec-26	-51	-166
01/01/2026 01:00	EIA Working Natural Gas Implied Flow	Dec-26	-51	-166
01/07/2026 23:30	DOE U.S. Crude Oil Inventories	Jan-26	-1000K	-3832K
01/07/2026 23:30	DOE Cushing OK Crude Inventory	02-Jan	--	728K
01/07/2026 23:30	DOE U.S. Gasoline Inventories	02-Jan	2000K	5845K
01/07/2026 23:30	DOE U.S. Distillate Inventory	02-Jan	1100K	5594K
01/07/2026 23:30	DOE U.S. Refinery Utilization	02-Jan	0.00%	0.10%
01/07/2026 23:30	DOE Crude Oil Implied Demand	02-Jan	--	20697
01/07/2026 23:30	DOE Gasoline Implied Demand	02-Jan	--	9136.6
01/07/2026 23:30	DOE Distillate Implied Demand	02-Jan	--	4722.9
01/08/2026 23:30	EIA Natural Gas Storage Change	02-Jan	-109	-38
01/08/2026 23:30	EIA Working Natural Gas Implied Flow	02-Jan	-109	-38
01/10/2026 02:00	Baker Hughes U.S. Rig Count	09-Jan	--	546
01/10/2026 02:00	Baker Hughes U.S. Rotary Gas Rigs	09-Jan	--	125
01/10/2026 02:00	Baker Hughes U.S. Rotary Oil Rigs	09-Jan	--	412

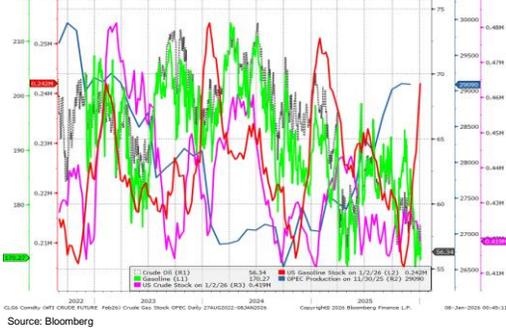
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



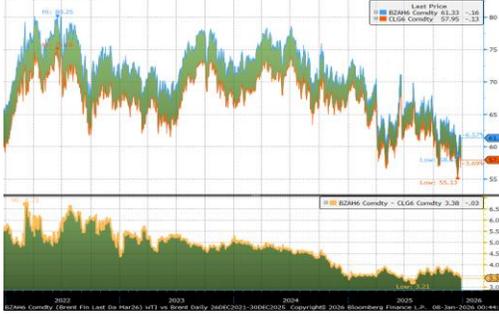
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil
 1st Resistance: 56.83
 1st Support: 55.15
 MACD: -0.318
 MACD DIFF: 0.023
 RSI: 42.446

2nd Resistance: 57.67
 2nd Support: 54.31

Natural Gas
 1st Resistance: 3.578
 1st Support: 3.472
 MACD: -0.169
 MACD DIFF: -0.027
 RSI: 41.303

2nd Resistance: 3.631
 2nd Support: 3.419

Gasoline
 1st Resistance: 171.99
 1st Support: 168.91
 MACD: -2.734
 MACD DIFF: 0.073
 RSI: 39.282

2nd Resistance: 174.53
 2nd Support: 164.37

Heating Oil
 1st Resistance: 208.76
 1st Support: 202.58
 MACD: -4.887
 MACD DIFF: -0.151
 RSI: 35.500

2nd Resistance: 211.84
 2nd Support: 199.50

Brent Fin Last Day
 1st Resistance: 61.16
 1st Support: 59.36
 MACD: -0.331
 MACD DIFF: 0.061
 RSI: 44.153

2nd Resistance: 62.07
 2nd Support: 58.45

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