

Fundamentals:

Oil prices rose by more than \$2 a barrel on Wednesday after data showed a larger-than-expected draw in U.S. crude stockpiles, but gains were capped by a snowstorm that is expected to hit U.S. travel.

Brent crude futures for February delivery were up by \$2.21, or 2.76%, at \$82.20 a barrel, while U.S. West Texas Intermediate (WTI) crude futures gained \$2.06, or 2.7%, to \$78.29.

U.S. crude inventories fell by 5.89 million barrels, according to data from the U.S. Energy Information Administration (EIA), compared with estimates for a drop of 1.66 million barrels. Data from the American Petroleum Institute on Tuesday showed a 3.1-million-barrel draw in the week to Dec. 16, market sources said.

Distillate inventories fell by 242,000 barrels, according to EIA data, compared with analyst estimates for a build of 336,000 barrels.

Markets also awaited clarity on when the Keystone pipeline, a major artery ferrying Canadian crude to the United States, would restart after 10. Energy said it had removed the ruptured segment of the pipeline that caused an oil spill earlier this month and sent it for metallurgical testing as directed by U.S. regulators.

Prices were also boosted by hopes that China would relax some COVID-19 curbs after no new COVID-19 deaths were reported.

China's crude oil imports from Russia in November rose 17% year on year as Chinese refiners rushed to secure more cargoes ahead of a price cap imposed by the Group of Seven nations and an EU embargo from Dec. 5.

Potentially curtailing oil demand, huge parts of the United States are forecast to face heavy snow that is likely to cause flight delays and impassable roads during one of the busiest travel periods of the year.

Overall, Russian oil exports fell by 11% month on month for Dec. 1-20 after the European Union's embargo on Russian oil came into force, the Kommersant daily reported.

U.S. natural gas futures held near an eight-week low on Wednesday as the market balanced extreme cold in the short term that has already cut output by freezing oil and gas wells and boosted heating demand against milder long-term forecasts that will cut heating demand.

The weather is frigid now across much of the country, but if the current forecasts are right and the weather turns warmer-than-normal in late December and early January, utilities will be able to leave more gas in storage around the start of the new year.

Gas stockpiles are currently about 0.4% below the five-year (2017-2021) average for this time of year.

U.S. gas futures remained on track for their most volatile year ever. Both implied and historic volatility were expected to hit record highs in 2022 as soaring global gas prices fed demand for U.S. liquefied natural gas (LNG) exports due to supply disruptions and sanctions linked to Russia's war in Ukraine.

European natural gas fell to the lowest level since June 14 as near-record LNG imports and fuller-than-normal inventories further ease supply concerns.

Benchmark futures settled 7.5% lower, falling below €100 for the first time in more than a month. Temperatures in much of the continent remain mild amid an influx of liquefied natural gas, which is helping to push prices lower. Increased wind generation is also keeping a lid on gas use.

Dutch front-month gas contract, Europe's benchmark, settled at €97.75 per megawatt-hour. The UK equivalent fell 7.3%. Year-ahead German power prices fell 7%, also to the lowest level since June.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil FEB 23	78.29	2.19	78.61	75.80
Natural Gas JAN 23	5.332	0.153	5.609	5.265
RB Gasoline JAN 23	225.58	4.07	227.49	221.07
Heating Oil JAN 23	213.95	12.21	318.26	306.17
Brent Fin Last Day FEB 23	82.34	2.35	82.54	79.60
US Dollar Index	104.22	0.254	104.383	103.853

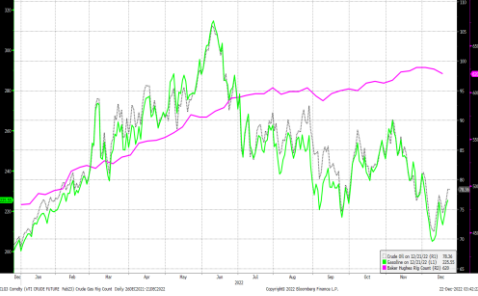
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
16/12/2022	-5895	2500	2530	2000	12100	418234
09/12/2022	10231	-3500	4496	2500	12100	424129
02/12/2022	-5186	-3418	5319	2474	12200	413898
25/11/2022	-12881	-3123	2770	2250	12100	419084
18/11/2022	-3690	-2614	3058	1150	12100	431665
11/11/2022	-5400	-1900	2207	200	12100	435355
04/11/2022	3925	250	900	-1450	12100	4460755
28/10/2022	-1257	-200	-1257	-1000	11900	436830
21/10/2022	2588	1500	-1478	-1500	12000	439945
14/10/2022	-1725	2500	-114	-2000	12000	437357
07/10/2022	9879	1000	2022	-2000	11900	439062
30/09/2022	-1356	1800	-4728	-1100	12000	429203

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior	
12/21/2022 23:30	DOE U.S. Crude Oil Inventories	Dec-16	2500k	-5895k	10231k
12/21/2022 23:30	DOE Cushing OK Crude Inventory	Dec-16	--	853k	426k
12/21/2022 23:30	DOE U.S. Gasoline Inventories	Dec-16	2000k	2530k	4496k
12/21/2022 23:30	DOE U.S. Distillate Inventory	Dec-16	1500k	--	-242k
12/21/2022 23:30	DOE U.S. Refinery Utilization	Dec-16	0.00%	-1.30%	-3.30%
12/21/2022 23:30	DOE Crude Oil Implied Demand	Dec-16	--	18761	17505
12/21/2022 23:30	DOE Gasoline Implied Demand	Dec-16	--	9600.7	9457.9
12/21/2022 23:30	DOE Distillate Implied Demand	Dec-16	--	5324.6	5250.1
12/22/2022 23:30	EIA Natural Gas Storage Change	Dec-16	-92	--	-50
12/22/2022 23:30	EIA Working Natural Gas Implied Flow	Dec-16	-92	--	-50
12/24/2022 02:00	Baker Hughes U.S. Rig Count	Dec-23	--	--	776
12/24/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-23	--	--	154
12/24/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-23	621	--	620
12/29/2022 23:30	EIA Natural Gas Storage Change	Dec-23	--	--	--
12/29/2022 23:30	EIA Working Natural Gas Implied Flow	Dec-23	--	--	--

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



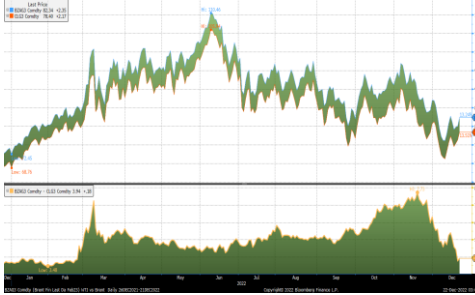
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



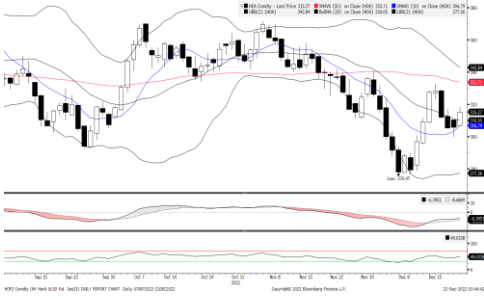
Nymex RBOB Gasoline Daily Chart



Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil

1st Resistance:	79.46	2nd Resistance:	80.64
1st Support:	77.12	2nd Support:	75.94
MACD:	-1.469		
MACD DIFF:	0.525		
RSI:	51.656		

Heating Oil

1st Resistance:	318.66	2nd Resistance:	323.37
1st Support:	309.24	2nd Support:	304.53
MACD:	-6.169		
MACD DIFF:	2.472		
RSI:	50.186		

Natural Gas

1st Resistance:	5.412	2nd Resistance:	5.492
1st Support:	5.252	2nd Support:	5.172
MACD:	-0.228		
MACD DIFF:	-0.091		
RSI:	40.234		

Brent Fin Last Day

1st Resistance:	83.58	2nd Resistance:	84.81
1st Support:	81.10	2nd Support:	79.87
MACD:	-2.103		
MACD DIFF:	0.396		
RSI:	47.983		

Gasoline

1st Resistance:	228.96	2nd Resistance:	232.35
1st Support:	222.20	2nd Support:	218.81
MACD:	-5.266		
MACD DIFF:	1.686		
RSI:	50.646		

Strategy

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:	Short	Profit target:	Stop-loss:
Crude Oil	77.12	77.89	76.73	75.94	76.70	75.56	79.46	78.67	79.86	80.64	79.83	81.04
Natural Gas	5.252	5.305	5.226	5.172	5.224	5.146	5.412	5.358	5.439	5.492	5.437	5.519
Gasoline	222.20	224.42	221.09	218.81	221.00	217.72	228.96	226.67	230.11	232.35	230.02	233.51
Heating Oil	309.24	312.33	307.69	304.53	307.58	303.01	318.66	315.47	320.25	323.37	320.13	324.99
Brent Fin Last Day	81.10	81.92	80.70	79.87	80.67	79.47	83.58	82.74	83.99	84.81	83.96	85.23

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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