KENANGA FUTURES SDN BHD Company No. 353603-X

ENERGY FUTURES
DAILY PREVIEW
November 22, 2022

Fundamentals:

Oil prices rebounded from early losses on Monday after Saudi Arabia denied a report it was discussing an increase in oil supply with OPEC and its allies.

Brent crude futures for January settled at $87.45, shedding 17 cents. U.S. West Texas Intermediate (WTI) crude futures for December settled at $79.73 a barrel, falling 35 cents ahead of the contract's expiry later on Monday.

The more active January contract was down 7 cents at $80.04 a barrel.

Both benchmarks had plunged by more than $5 a barrel early, hitting 10-month lows, after the Wall Street Journal reported an increase of up to 500,000 barrels per day will be considered at the OPEC+ meeting on Dec. 4.

Oil then retraced its losses after Saudi Arabian energy minister Prince Abdulaziz bin Salman said the kingdom is sticking with output cuts and not discussing a potential oil output increase with other OPEC oil producers, state news agency SPA reported, denying the Journal report.

The Organization of the Petroleum Exporting Countries (OPEC) and its allies, together known as OPEC+, recently cut production targets and the energy minister of de facto leader Saudi Arabia was quoted this month as saying the group will remain cautious.

Expectations of further increases to interest rates have buoyed the greenback, making dollar-denominated commodities like crude more expensive for investors.

The dollar rose 0.9% against the Japanese yen to 141.665 yen, on pace for its largest one-day gain since Oct. 14.

New COVID case numbers in China remained close to April peaks as the country battles outbreaks nationwide.

The front-month Brent crude futures spread narrowed sharply last week while WTI flipped into contango, reflecting dwindling supply concerns.

U.S. natural gas futures jumped about 8% to a two-week high on Monday on forecasts for colder weather and stronger heating demand this week than previously expected, and worries a possible rail strike could disrupt coal deliveries and force power generators to burn more gas.

Traders also noted the expected restart of the 2.1-billion cubic feet per day (bcfd) Freeport LNG's liquefied natural gas (LNG) export plant in Texas in mid-December, if it happens, would boost demand for gas in coming weeks. The plant shut six months ago after a fire.

Workers at the largest U.S. rail union voted against a tentative contract deal reached in September, raising the possibility of a year-end strike that could cause significant damage to the U.S. economy and strand vital shipments of food and fuel.

The market, meanwhile, seemed to ignore forecasts for less cold weather in early December that will cut heating demand next week below what was previously expected.

Freeport LNG said last week that the company would not meet its previously announced November restart target for its export plant and was now projecting a mid-December restart, if regulators approve.

Front-month gas futures for December delivery rose 47.3 cents, or 7.5%, to settle at $6.776 per mmBtu, putting the contract on track for its highest close since Nov. 7.

The premium of futures for January over December, meanwhile, was on track to close at a record high for a second day in a row as some in the market started to give up on the prospect of extreme cold in December.

(Source: Reuters)

Energy Table

Contract		Sett	Chg	High	Low
Nymex Crude Oil	JAN 23	80.04	0.07	80.50	75.27
Natural Gas	DEC 22	6.776	0.400	6.837	6.145
RB Gasoline	DEC 22	243.71	2.52	248.45	232.60
Heating Oil	DEC 22	349.73	-2.88	351.81	336.81
Brent Fin Last Day	JAN 23	87.60	-0.02	88.04	82.32
US Dollar Index		107.84	0.912	107.993	106.894

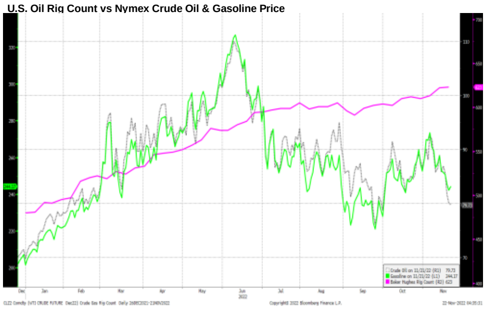
Bloomberg Survey on U.S. Total Change in Inventories

	Crude Oil		Gasoline		Crude Oil	
Date	Actual	Survey	Actual	Survey	Production	Inventory
11/11/2022	-5400	-1900	2207	200	12100	435355
04/11/2022	3925	250	-900	-1450	12100	440755
28/10/2022	-3115	-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	439082
30/09/2022	-1356	1800	-4728	-1100	12000	429203
23/09/2022	-2422	2000	-2422	500	12000	430559
16/09/2022	1141	2200	1570	-450	12100	430774
09/09/2022	2442	1850	-1768	-1600	12100	429633
02/09/2022	8845	-1900	333	-1900	12100	427191
26/08/2022	-3326	-950	-1172	-1000	12100	418346

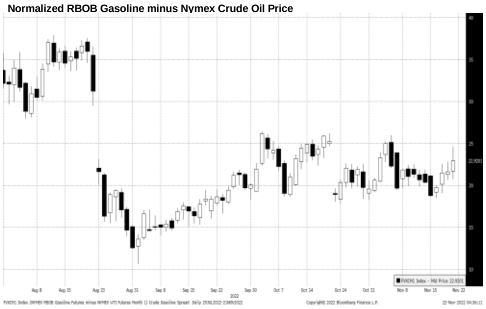
Fundamental Data:

Event		Period	Avg Survey	Actual	Prior
11/23/2022 23:30	DOE U.S. Crude Oil Inventories	Nov-18	-2428k	--	-5400k
11/23/2022 23:30	DOE Cushing OK Crude Inventory	Nov-18	--	--	-1624k
11/23/2022 23:30	DOE U.S. Gasoline Inventories	Nov-18	1200k	--	2207k
11/23/2022 23:30	DOE U.S. Distillate Inventory	Nov-18	500k	--	1120k
11/23/2022 23:30	DOE U.S. Refinery Utilization	Nov-18	0.30%	--	0.80%
11/23/2022 23:30	DOE Crude Oil Implied Demand	Nov-18	--	--	18430
11/23/2022 23:30	DOE Gasoline Implied Demand	Nov-18	--	--	9669.1
11/23/2022 23:30	DOE Distillate Implied Demand	Nov-18	--	--	5047
11/24/2022 01:00	EIA Natural Gas Storage Change	Nov-18	-86	--	64
11/24/2022 01:00	EIA Working Natural Gas Implied Flow	Nov-18	-86	--	64
11/24/2022 02:00	Baker Hughes U.S. Rig Count	Nov-25	786	--	782
11/24/2022 02:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-25	157	--	157
11/24/2022 02:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-25	626	--	623

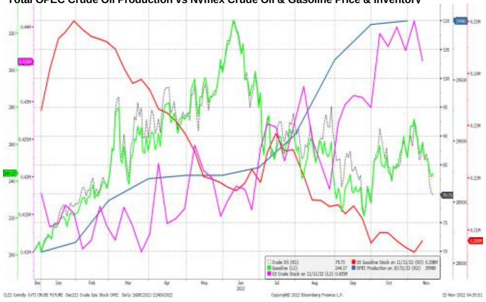
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



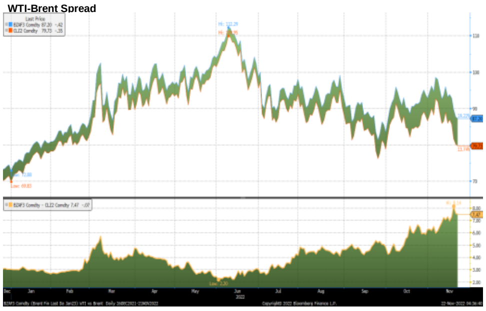
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



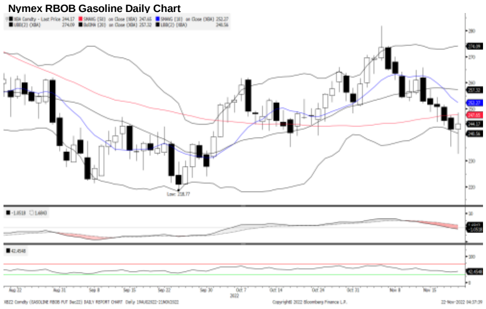
WTI-Brent Spread



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:	81.24	2nd Resistance:	82.44
1st Support:	78.84	2nd Support:	77.64
MACD:	-0.834		
MACD DIFF:	-0.949		
RSI:	39.439		

Natural Gas

1st Resistance:	6.878	2nd Resistance:	6.979
1st Support:	6.674	2nd Support:	6.573
MACD:	-0.087		
MACD DIFF:	0.105		
RSI:	54.519		

Gasoline

1st Resistance:	247.37	2nd Resistance:	251.02
1st Support:	240.05	2nd Support:	236.40
MACD:	-1.013		
MACD DIFF:	-2.711		
RSI:	42.872		

Heating Oil

1st Resistance:	354.98	2nd Resistance:	360.22
1st Support:	344.48	2nd Support:	339.24
MACD:	-0.866		
MACD DIFF:	-3.277		
RSI:	43.185		

Brent Fin Last Day

1st Resistance:	88.91	2nd Resistance:	90.23
1st Support:	86.29	2nd Support:	84.97
MACD:	-0.532		
MACD DIFF:	-1.002		
RSI:	39.200		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	78.84	79.63	78.45	77.64	78.42	77.25	81.24	80.43	81.65	82.44	81.62	82.85
Natural Gas	6.674	6.741	6.641	6.573	6.638	6.540	6.878	6.809	6.912	6.979	6.909	7.014
Gasoline	240.05	242.45	238.85	236.40	238.76	235.22	247.37	244.89	248.60	251.02	248.51	252.28
Heating Oil	344.48	347.93	342.76	339.24	342.63	337.54	354.98	351.43	356.75	360.22	356.62	362.02
Brent Fin Last Day	86.29	87.15	85.85	84.97	85.82	84.55	88.91	88.02	89.36	90.23	89.33	90.68

Kenanga Futures Sdn Bhd (353603-X)
Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my