

**Fundamentals:**

Oil prices rose on Wednesday, gaining ground after the Federal Reserve raised interest rates for the fourth time this year, though crude benchmarks ultimately settled within the day's trading range. The market was earlier supported by another decline in U.S. oil inventories as refineries picked up activity ahead of the winter heating season.

Brent crude settled up \$1.51, or 1.6%, to \$96.16 while U.S. West Texas Intermediate (WTI) crude settled up \$1.63, or 1.8%, to \$90 on the nose.

The U.S. Federal Reserve boosted interest rates by 75 basis points, continuing its efforts to bring down inflation, though the central bank signaled that future increases may be in smaller increments after several rate rises.

The central bank has raised rates to combat U.S. consumer inflation that has reached a four-decade high. So far its moves have not affected the strong labor market, though the Fed's actions do operate with a lagged effect.

U.S. crude oil stocks fell about 3.1 million barrels on the week, according to federal data. Inventories of gasoline fell, while distillate stocks rose only marginally ahead of the key heating season, when demand is expected to pick up.

U.S. inventories remain low across most products, worrying analysts who believe that the impending end of releases from U.S. strategic reserves will remove a source of supply that will further tighten markets.

Output from the Organization of the Petroleum Exporting Countries (OPEC) fell in October for the first time since June, in addition to pumping 1.36 million barrels per day below its targets.

The potential disruption from the European Union embargo on Russian oil that is set to start on Dec. 5 is also underpinning markets. The ban, a reaction to Russia's invasion of Ukraine, will be followed by a halt on oil product imports in February. It is expected to limit Russia's ability to ship crude and products worldwide and therefore could tighten the market.

China's zero-COVID policy has been a main factor in keeping a lid on oil prices as repeated lockdowns have slowed growth and pared oil demand.

An unverified note on social media said the Chinese government was going to consider ways to relax COVID-19 rules from next March, potentially boosting demand in the world's No. 2 oil user.

U.S. natural gas futures jumped about 10% on Wednesday during what has already been an extremely volatile week of trade on a drop in output at the start of the month and expectations gas demand will rise once the Freeport liquefied natural gas (LNG) export plant in Texas exits an outage.

Wednesday's price jump came despite forecasts for lower demand over the next two weeks with the weather expected to remain mild through at least mid-November. That should allow utilities to keep adding gas into storage for a few weeks beyond the usual Oct. 31 end of the injection season.

Freeport LNG expects its 2.1-billion-cubic-foot-per-day (bcfd) export plant to return to at least partial service in early- to mid-November following an unexpected shutdown on June 8 caused by a pipeline explosion.

At least four vessels were already lined up to pick up LNG at Freeport, according to Refinitiv data. Prism Brilliance and Prism Diversity were waiting off the coast from the plant, while Prism Courage was expected to arrive on Nov. 4 and Grace Freesia in December.

Front-month gas futures rose 55.4 cents, or 9.7%, to settle at \$6.268 per million British thermal units (mmBtu). That follows a rise of 12% on Monday and a drop of 10% on Tuesday.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil DEC 22	90.00	0.89	90.36	87.72
Natural Gas DEC 22	6.268	0.449	6.303	5.787
RB Gasoline DEC 22	269.72	9.18	270.65	258.13
Heating Oil DEC 22	367.74	6.02	369.45	355.26
Brent Fin Last Dav JAN 23	95.54	0.89	96.47	93.99
US Dollar Index	112.05	0.573	112.06	110.426

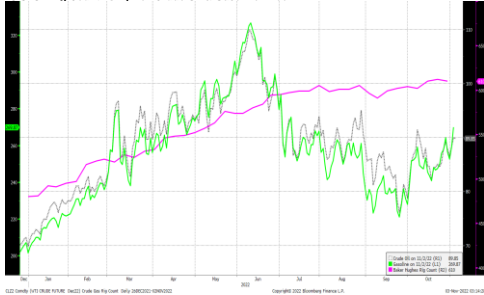
**Bloomberg Survey on U.S. Total Change in Inventories**

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
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	432203
23/09/2022	-215	2000	-2422	500	12000	430559
16/09/2022	1141	2200	1570	-450	12100	430774
09/09/2022	-1768	1850	-1768	-1600	12100	429633
02/09/2022	8845	-1900	333	-1900	12100	427191
26/08/2022	-3526	-950	-1172	-1000	12100	418346
19/08/2022	-3282	-2500	-27	-1500	12000	421672
12/08/2022	-7056	800	-4642	-1000	12100	424954

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior	
11/02/2022 22:30	DOE U.S. Crude Oil Inventories	Oct-28	-200k	-3115k	2588k
11/02/2022 22:30	DOE Cushing OK Crude Inventory	Oct-28	--	1267k	667k
11/02/2022 22:30	DOE U.S. Gasoline Inventories	Oct-28	-1000k	-1257k	-1478k
11/02/2022 22:30	DOE U.S. Distillate Inventory	Oct-28	-500k	-4728k	170k
11/02/2022 22:30	DOE U.S. Refinery Utilization	Oct-28	0.50%	1.70%	-0.60%
11/02/2022 22:30	DOE Crude Oil Implied Demand	Oct-28	--	18550	17810
11/02/2022 22:30	DOE Gasoline Implied Demand	Oct-28	--	9496.7	9806.3
11/02/2022 22:30	DOE Distillate Implied Demand	Oct-28	--	5177	5092.7
11/03/2022 22:30	EIA Natural Gas Storage Change	Oct-28	102	--	52
11/02/2022 22:30	EIA Working Natural Gas Implied Flow	Oct-28	102	--	52
11/05/2022 01:00	Baker Hughes U.S. Rig Count	Nov-04	--	--	768
11/05/2022 01:00	Baker Hughes U.S. Rotary Gas Rigs	Nov-04	--	--	156
11/05/2022 01:00	Baker Hughes U.S. Rotary Oil Rigs	Nov-04	--	--	610

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



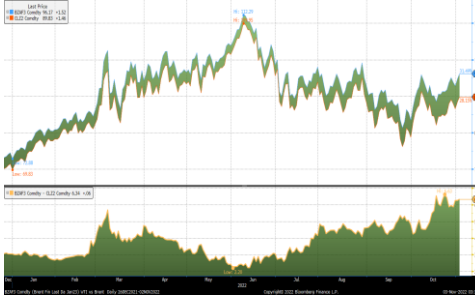
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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:	91.35	2nd Resistance:	92.70
1st Support:	88.65	2nd Support:	87.30
MACD:	0.828		
MACD DIFF:	0.392		
RSI:	57.564		

**Natural Gas**

1st Resistance:	6.362	2nd Resistance:	6.456
1st Support:	6.174	2nd Support:	6.080
MACD:	-0.410		
MACD DIFF:	0.053		
RSI:	45.213		

Gasoline	1st Resistance:	273.77	2nd Resistance:	277.81
	1st Support:	265.67	2nd Support:	261.63
	MACD:	4.949		
	MACD DIFF:	1.434		
	RSI:	63.484		

**Heating Oil**

1st Resistance:	373.26	2nd Resistance:	378.77
1st Support:	362.22	2nd Support:	356.71
MACD:	6.561		
MACD DIFF:	-0.093		
RSI:	56.473		

**Brent Fin Last Day**

1st Resistance:	96.97	2nd Resistance:	98.41
1st Support:	94.11	2nd Support:	92.67
MACD:	1.203		
MACD DIFF:	0.403		
RSI:	59.928		

**Strategy**

	Long	Profit target:	Stop-loss:	Long	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	88.65	89.64	88.21	87.30	88.17	86.86	91.35	90.44	91.81	92.70	91.77	93.16
Natural Gas	6.174	6.236	6.143	6.080	6.141	6.050	6.362	6.298	6.394	6.456	6.391	6.488
Gasoline	265.67	268.33	264.35	261.63	264.24	260.32	273.77	271.03	275.13	277.81	275.03	279.20
Heating Oil	362.22	365.85	360.41	356.71	360.27	354.92	373.26	369.52	375.12	378.77	374.98	380.67
Brent Fin Last Day	94.11	95.05	93.64	92.67	93.60	92.21	96.97	96.00	97.46	98.41	97.42	98.50

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

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

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.