

Fundamentals:

Oil prices settled down 1% on Monday as worries about a slowing global economy and possible U.S. interest rate hikes outweighed supply cuts announced for August by top exporters Saudi Arabia and Russia.

Brent crude futures settled down 1%, or 76 cents, at \$74.65 a barrel while U.S. West Texas Intermediate crude settled down 1.2%, or 85 cents, to \$69.79.

Saudi Arabia on Monday said it would extend its voluntary cut of one million barrels per day (bpd) for another month to include August, the state news agency said.

But prices moved lower after business surveys showed global factory activity slumped in June as sluggish demand in China and in Europe clouded the outlook for exporters.

Fears of a further economic slowdown denting fuel demand grew on Friday as U.S. inflation continued to outpace the central bank's 2% target, stoking fears of more rate hikes.

Higher U.S. interest rates could strengthen the dollar, making oil more expensive for buyers holding other currencies.

Russia, seeking to tighten global crude supplies and boost prices in concert with Saudi Arabia, will reduce oil exports by 500,000 bpd in August, Deputy Prime Minister Alexander Novak said.

The cuts amount to 1.5% of global supply and bring the total pledged by OPEC+ oil producers to 5.16 million bpd.

Riyadh and Moscow have been trying to prop up prices. Brent has dropped from \$113 a barrel a year ago, hit by concerns of an economic slowdown and ample supplies.

U.S. natural gas futures slipped more than 3% on Monday on forecasts for slightly lower temperatures next week, although an increase in the daily amount of gas flowing to liquefied natural gas (LNG) export plants and a higher demand outlook limited losses.

Front-month gas futures for August delivery on the New York Mercantile Exchange fell 8.9 cents, or about 3.2%, to settle at \$2.709 per million British thermal units (mmBtu).

Data provider Refinitiv estimated 237 cooling degree days (CDDs) over the next two weeks in the lower 48 U.S. states, unchanged from Friday's forecast. The normal for this time of year is 197 CDDs.

CDDs measure the number of degrees a day's average temperature is above 65 Fahrenheit (18 Celsius) and provide a snapshot into likely demand for cooling.

In Texas, power use remained high and reached record levels last week as a heat wave continues to bake the state, according to the state's grid operator, the Electric Reliability Council of Texas (ERCOT).

Extreme heat boosts the amount of gas generators burn to produce power for air conditioning, especially in Texas, which gets most of its electricity from gas-fired plants.

The Texas power grid comfortably met record demand during the heat wave with abundant power supply from wind and solar plants, data from the grid operator showed.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil AUG 23	69.79	-0.54	71.77	69.69
Natural Gas AUG 23	2.709	-0.102	2.746	2.670
RB Gasoline AUG 23	246.24	-6.83	256.39	246.05
Heating Oil AUG 23	237.73	-5.95	246.82	237.50
Brent, Fin Last Day SEP 23	74.89	-0.52	76.58	74.58
US Dollar Index	102.99	0.078	103.273	102.75

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
23/6/2023	-9603	-1500	603	1000	12200	453690
16/6/2023	-3831	450	479	800	12200	463293
9/6/2023	7919	-1536	2108	1000	12400	467124
2/6/2023	-452	1500	2745	1000	12400	459205
26/5/2023	4489	-1500	-207	-1100	12200	459657
19/5/2023	-12456	2000	-2053	-1600	12300	455168
12/5/2023	5040	-2000	-1381	-2000	12200	467624
5/5/2023	-3167	-2500	-3167	-1500	12300	462584
28/4/2023	-1281	-500	1742	-1500	12300	459633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914
14/4/2023	-4581	-250	1299	-1250	12300	465968
7/4/2023	597	-1050	-330	-1900	12300	470549

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
07/08/2023 23:00 DOE U.S. Crude Oil Inventories	Jun-30	--	--	-9603k
07/06/2023 23:00 DOE Cushing OK Crude Inventory	Jun-30	--	--	1209k
07/06/2023 23:00 DOE U.S. Gasoline Inventories	Jun-30	--	--	603k
07/06/2023 23:00 DOE U.S. Distillate Inventory	Jun-30	--	--	123k
07/06/2023 23:00 DOE U.S. Refinery Utilization	Jun-30	--	--	-0.90%
07/06/2023 23:00 DOE Crude Oil Implied Demand	Jun-30	--	--	20152
07/06/2023 23:00 DOE Gasoline Implied Demand	Jun-30	--	--	10173.3
07/06/2023 23:00 DOE Distillate Implied Demand	Jun-30	--	--	4810.4
07/07/2023 22:30 EIA Natural Gas Storage Change	Jun-30	--	--	76
07/07/2023 22:30 EIA Working Natural Gas Implied Flow	Jun-30	--	--	76
07/08/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jul-07	--	--	545
07/08/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jul-07	--	--	124
07/08/2023 01:00 Baker Hughes U.S. Rig Count	Jul-07	--	--	674

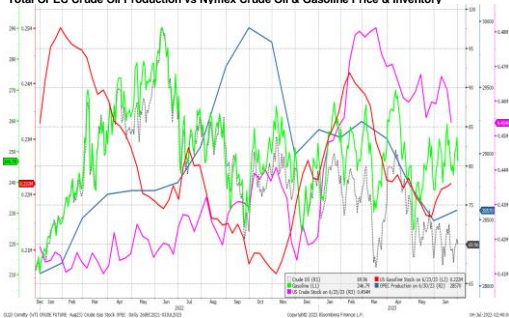
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

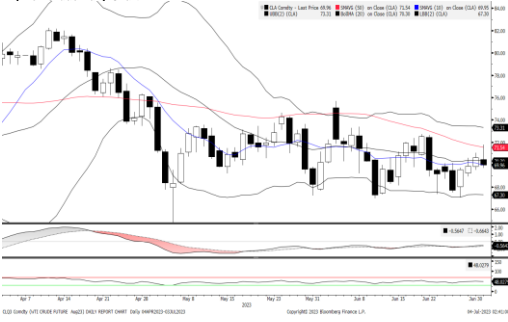


WTI-Brent Spread

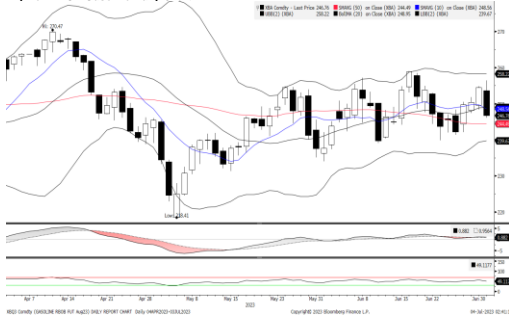


Source: Bloomberg

Nymex Crude Daily Chart



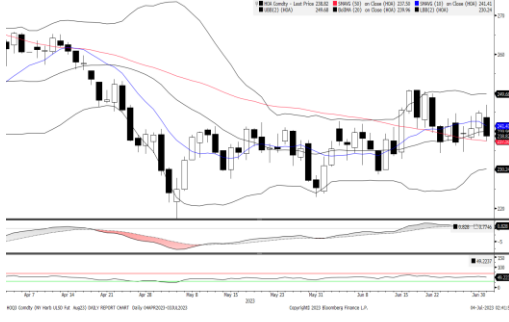
Nymex RBOB Gasoline Daily Chart



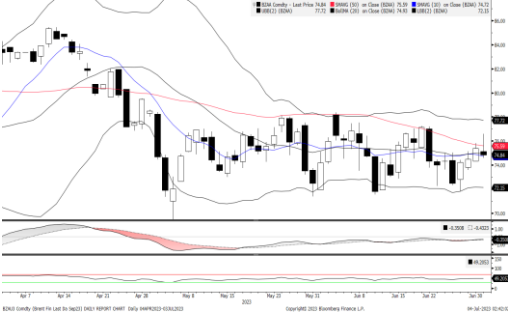
Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil			Natural Gas			Gasoline					
1st Resistance:	70.84	2nd Resistance:	71.88	1st Resistance:	2.750	2nd Resistance:	2.790	1st Resistance:	249.93	2nd Resistance:	253.63
1st Support:	68.74	2nd Support:	67.70	1st Support:	2.668	2nd Support:	2.628	1st Support:	242.55	2nd Support:	238.85
MACD:	-0.553			MACD:	0.066			MACD:	0.957		
MACD DIFF:	0.108			MACD DIFF:	0.017			MACD DIFF:	-0.018		
RSI:	48.426			RSI:	53.485			RSI:	49.843		
Heating Oil			Brent Fin Last Day								
1st Resistance:	241.30	2nd Resistance:	244.86	1st Resistance:	76.01	2nd Resistance:	77.14				
1st Support:	234.16	2nd Support:	230.60	1st Support:	73.77	2nd Support:	72.64				
MACD:	0.330			MACD:	-0.346						
MACD DIFF:	0.051			MACD DIFF:	0.084						
RSI:	49.227			RSI:	49.359						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	68.74	69.43	68.40	67.70	68.37	67.36	70.84	70.13	71.19	71.88	71.16	72.24
Natural Gas	2.668	2.695	2.655	2.628	2.654	2.615	2.750	2.722	2.763	2.790	2.762	2.804
Gasoline	242.55	244.97	241.33	238.85	241.24	237.66	249.93	247.43	251.18	253.63	251.09	254.90
Heating Oil	234.16	236.51	232.99	230.60	232.90	229.45	241.30	238.88	242.50	244.86	242.41	246.09
Brent Fin Last Day	73.77	74.50	73.40	72.64	73.37	72.28	76.01	75.25	76.39	77.14	76.37	77.52

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