

Fundamentals:

Oil prices finished down on Monday on worries about China's faltering economic recovery and a stronger dollar were taking the momentum out of seven weeks of gains on tight supply.

U.S. West Texas Intermediate crude settled down 68 cents, or 0.82%, at \$82.51 a barrel. Brent crude futures finished at \$86.21 a barrel, down 60 cents, or 0.69%.

With fading hope China's economy will return to pre-pandemic levels of demand, oil markets have little to pin their hopes to for future growth, said Walter Zimmerman, chief technical analyst with ICAP-TA.

"The problem is as China increasingly proves unable of getting out of its own way to the upside, much less leading the world economy, there's not much else to lead things higher."

Market participants are torn, weighing a tight supply-demand balance against signs of weakening demand from China, said Phil Flynn, analyst at Price Futures Group.

"Part of it seems to be the Monday morning blahs. I think we still have to face a market that's very tight," Flynn said.

Vandana Hari, founder of oil market analysis provider Vanda Insights, said a correction may be in the cards for crude markets.

"Crude has been in overbought territory for some time now, defying expectations of a correction," Hari said. She added that the focus had been on U.S. economic optimism, to the exclusion of economic headwinds in the euro zone and China.

Weighing on oil prices, the U.S. dollar index extended gains after a slightly bigger increase in U.S. producer prices in July. That lifted Treasury yields despite expectations the Federal Reserve is at the end of a campaign of hiking interest rates.

A stronger dollar pressures oil demand by making the commodity more expensive for buyers holding other currencies.

Separately on Monday, a Shell spokesperson said exports of Nigeria's Forcados crude oil resumed on Sunday, roughly a month after loadings of the medium sweet grade were suspended because of a potential leak at the export terminal.

The suspension contributed to Nigeria becoming the second-biggest contributor to the drop in OPEC crude oil output in July, a Reuters survey showed.

Supply cuts by Saudi Arabia and Russia, part of the OPEC+ group comprising the Organization of the Petroleum Exporting Countries and allies, are expected to erode oil inventories over the rest of the year, potentially driving prices higher, the International Energy Agency said in a monthly report on Friday.

Around the Black Sea, merchant ships remained backed up in lanes on Monday as ports struggled to clear backlogs amid growing unease among insurers and shipping companies a day after a Russian warship fired warning shots at a cargo vessel.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	82.51	-0.69	83.20	81.76
Natural Gas SEP 23	2.795	0.041	2.827	2.749
RB Gasoline SEP 23	290.62	-5.88	294.50	288.48
Heating Oil SEP 23	308.83	-4.45	313.44	305.72
Brent, Fin Last Day OCT 23	86.22	-0.59	86.70	85.50
US Dollar Index	103.17	0.325	103.458	102.771

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
4/8/2023	5851	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771
21/7/2023	-600	-2250	-796	-1373	12200	456820
14/7/2023	-708	-2500	-1066	-1500	12300	457420
7/7/2023	5946	-50	-4	-1350	12300	458128
30/6/2023	-1508	-2000	-2549	0	12400	452182
23/6/2023	-9603	-1500	603	1000	12200	453690
16/6/2023	479	450	479	800	12200	462393
9/6/2023	7919	-1536	2108	1000	12400	467124
2/6/2023	-452	1500	2745	1000	12400	458205
26/5/2023	4489	-1500	-207	-1100	12200	459657
19/5/2023	-12456	2000	-2053	-1600	12300	455168

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
08/16/2023 22:30	DOE U.S. Crude Oil Inventories	Aug-11	--	5851k
08/16/2023 22:30	DOE Cushing OK Crude Inventory	Aug-11	--	159k
08/16/2023 22:30	DOE U.S. Gasoline Inventories	Aug-11	--	-2661k
08/16/2023 22:30	DOE U.S. Distillate Inventory	Aug-11	--	-1706k
08/16/2023 22:30	DOE U.S. Refinery Utilization	Aug-11	--	1.10%
08/16/2023 22:30	DOE Crude Oil Implied Demand	Aug-11	--	18446
08/16/2023 22:30	DOE Gasoline Implied Demand	Aug-11	--	10242.9
08/16/2023 22:30	DOE Distillate Implied Demand	Aug-11	--	5219.7
08/17/2023 22:30	EIA Natural Gas Storage Change	Aug-11	--	29
08/17/2023 22:30	EIA Working Natural Gas Implied Flow	Aug-11	--	29
08/19/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Aug-18	--	525
08/19/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Aug-18	--	123
08/19/2023 01:00	Baker Hughes U.S. Rig Count	Aug-18	--	654

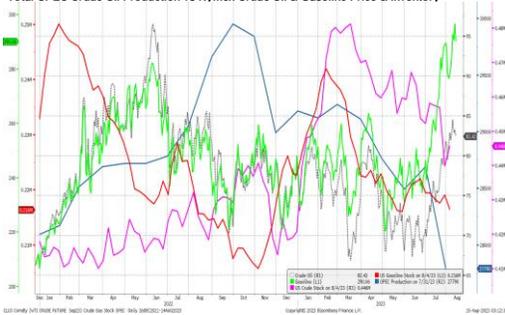
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



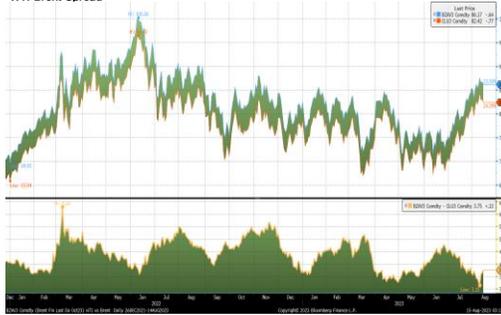
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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:	83.75	1st Resistance:	2.837	1st Resistance:	294.98
1st Support:	81.27	1st Support:	2.753	1st Support:	286.26
MACD:	2.403	MACD:	0.047	MACD:	-0.067
MACD DIFF:	-0.015	MACD DIFF:	0.020	MACD DIFF:	-0.067
RSI:	61.112	RSI:	56.828	RSI:	63.343
Heating Oil		Brent Fin Last Day			
1st Resistance:	313.46	1st Resistance:	87.51	1st Resistance:	88.81
1st Support:	304.20	1st Support:	84.93	1st Support:	83.63
MACD:	14.970	MACD:	2.235	MACD:	
MACD DIFF:	0.261	MACD DIFF:	0.005	MACD DIFF:	
RSI:	66.254	RSI:	62.084	RSI:	

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	81.27	82.09	80.87	80.03	80.84	79.63	83.75	82.91	84.17	84.99	84.14	85.41
Natural Gas	2.753	2.781	2.739	2.711	2.738	2.698	2.837	2.809	2.851	2.879	2.850	2.893
Gasoline	286.26	289.12	284.83	281.90	284.72	280.49	294.98	292.03	296.45	299.34	296.35	300.84
Heating Oil	304.20	307.24	302.68	299.57	302.56	298.07	313.46	310.33	315.03	318.09	314.91	319.69
Brent Fin Last Day	84.93	85.78	84.50	83.63	84.47	83.22	87.51	86.64	87.95	88.81	87.92	89.25

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