

Fundamentals:

Oil prices climbed about 2% to a two-week high on Wednesday on a bigger-than-expected U.S. storage draw and concerns about global supplies after Iran called for an oil embargo on Israel over the conflict in Gaza.

Brent futures rose \$1.60, or 1.8%, to settle at \$91.50 a barrel, while U.S. West Texas Intermediate (WTI) crude rose \$1.66, or 1.9%, to settle at \$88.32. At their session highs, both benchmarks were up more than \$3 a barrel.

The U.S. Energy Information Administration (EIA) said energy firms pulled 4.5 million barrels of crude from stockpiles during the week ended Oct. 13.

That was much higher than the 0.3-million-barrel draw analysts forecast in a Reuters poll. On Tuesday, the American Petroleum Institute (API) industry group reported a 4.4-million-barrel drop.

It was the fourth crude storage decline in five weeks. It far exceeded the 1.7 million barrel weekly draw a year earlier and compares with a five-year (2018-2022) average build of 2.5 million barrels.

Supplies declined 0.8 million barrels at the Cushing storage facility in Oklahoma to the lowest since October 2014, prompting concerns about the quality of oil remaining at the delivery point for U.S. oil futures.

Prices surged to session highs after Iranian Foreign Minister Hossein Amirabdollahian urged an oil embargo on Israel after hundreds of Palestinians were killed in a blast at a Gaza City hospital. Israeli and Palestinian officials blamed each other.

The Organization of the Petroleum Exporting Countries (OPEC) is not planning to take any immediate action on OPEC member Iran's call, four sources from the producer group told Reuters.

Jordan canceled a summit it was to host with U.S. President Joe Biden and Egyptian and Palestinian leaders. Biden arrived in Israel on Wednesday pledging solidarity with Israel in its war against Hamas, and backing Israel's account that militants caused the hospital blast.

Oil prices also drew support by official data showing faster-than-expected economic growth in China, the world's biggest oil importer, in the third quarter.

In the U.S., the world's biggest oil consumer, higher-than-expected September retail sales spurred expectations of another interest rate hike by year-end. Interest rate hikes to curb inflation can slow economic growth and reduce oil demand.

U.S. natural gas futures eased about 1% to a two-week low on Wednesday on record output and forecasts for the weather to remain mostly mild through early November, keeping both heating and cooling demand low.

Traders noted that prices were down even though the amount of gas flowing to liquefied natural gas (LNG) export plants was rising to near record highs.

Front-month gas futures for November delivery on the New York Mercantile Exchange fell 2.3 cents, or 0.7%, to settle at \$3.056 per million British thermal units (mmBtu), their lowest since Oct. 4 for a third day in a row.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil NOV 23	88.32	1.48	89.88	87.20
Natural Gas NOV 23	3.056	-0.004	3.158	3.037
RB Gasoline NOV 23	235.35	6.96	236.00	229.63
Heating Oil NOV 23	313.93	-3.94	321.20	311.50
Brent Fin Last Day DEC 23	91.30	1.40	92.97	90.60
US Dollar Index	106.57	0.317	106.636	106.013

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
13/10/2023	-4491	-550	-2370	-100	13200	419748
6/10/2023	10176	-1400	-1313	-1000	13200	424239
29/9/2023	-2224	50	6481	-300	12900	414063
22/9/2023	-2169	-900	1027	-500	12900	416287
15/9/2023	-2136	-1100	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-6307	-2000	-2666	-1000	12800	416637
25/8/2023	-214	-2191	-214	-1250	12800	422944
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior	
10/18/2023 22:30	DOE U.S. Crude Oil Inventories	Oct-13	-550k	-4491k	10176k
10/18/2023 22:30	DOE Cushing OK Crude Inventory	Oct-13	--	-758k	-319k
10/18/2023 22:30	DOE U.S. Gasoline Inventories	Oct-13	-100k	-2370k	-1313k
10/18/2023 22:30	DOE U.S. Distillate Inventory	Oct-13	-1000k	-831k	-1837k
10/18/2023 22:30	DOE U.S. Refinery Utilization	Oct-13	-0.20%	0.40%	-1.60%
10/18/2023 22:30	DOE Crude Oil Implied Demand	Oct-13	--	19784	18075
10/18/2023 22:30	DOE Gasoline Implied Demand	Oct-13	--	10024.1	9759.6
10/18/2023 22:30	DOE Distillate Implied Demand	Oct-13	--	5226	5109.4
10/19/2023 22:30	EIA Natural Gas Storage Change	Oct-13	81	--	84
10/19/2023 22:30	EIA Working Natural Gas Implied Flow	Oct-13	81	--	84
10/21/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-20	--	--	501
10/21/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-20	--	--	117
10/21/2023 01:00	Baker Hughes U.S. Rig Count	Oct-20	--	--	622

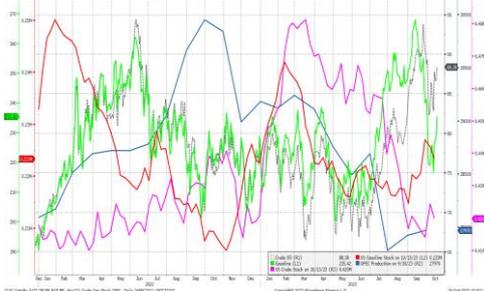
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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 Oil 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

Instrument	1st Resistance	2nd Resistance	1st Support	2nd Support	MACD	MACD DIFF	RSI
Crude Oil	89.64	90.97	87.00	85.67	0.042	-0.147	54.407
Natural Gas	3.102	3.102	3.010	3.010	0.044	-0.002	47.891
Gasoline	238.88	242.41	231.82	228.29	-6.408	0.532	49.078
Heating Oil	318.64	323.35	309.22	304.51	-0.661	0.483	51.167
Brent Fin Last Day	92.67	94.04	89.93	88.56	0.109	0.064	56.565

Strategy

Instrument	Long Profit target	Long Stop-loss	Short Profit target	Short Stop-loss
Crude Oil	87.00	86.56	89.64	90.09
Natural Gas	3.010	2.995	3.102	3.117
Gasoline	231.82	230.66	238.88	240.07
Heating Oil	309.22	307.67	318.64	320.23
Brent Fin Last Day	89.93	89.48	92.67	93.13

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