

**Fundamentals:**

Oil prices climbed about 3% to a one-week high on Monday, buoyed by hopes of rising fuel demand this summer despite a stronger U.S. dollar and expectations the U.S. Federal Reserve will leave interest rates higher for longer.

The Fed hiked interest rates aggressively in 2022 and 2023 to tame a surge in inflation. Those higher rates have boosted borrowing costs for consumers and businesses, which can slow economic growth and reduce demand for oil.

Similarly, a stronger U.S. dollar can reduce demand for oil by making dollar-denominated commodities like oil more expensive for holders of other currencies.

Brent futures were up \$1.96, or 2.5%, to \$81.58 a barrel by 1:20 p.m. EDT (1720 GMT), while U.S. West Texas Intermediate (WTI) crude rose \$2.12, or 2.8%, to \$77.65.

That puts Brent on track for its highest close since May 31 and WTI on track for its highest close since May 30.

Goldman Sachs analysts expect Brent to rise to \$86 a barrel in the third quarter, saying in a report that solid summer transport demand will push the oil market into a third-quarter deficit of 1.3 million barrels per day (bpd).

The U.S. dollar, meanwhile, rose to a four-week high against a basket of other currencies as the euro fell sharply due to political uncertainty in Europe after gains by far-right parties in voting for the European Parliament prompted a bruised French President Emmanuel Macron to call a snap national election.

"The increase in (crude) prices started as the U.S. wakes up and kicks off the new week. Investors on the other side of the Atlantic clearly dismiss the euro weakness and the resultant dollar strength due to French snap elections," Tamas Varga of oil broker PVM said.

"There is a growing conviction that demand will be buoyant as the summer driving season approaches, leading to considerable stock draws."

Oil last week posted a third straight weekly loss on concerns that a plan to unwind some production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and its allies, known collectively as OPEC+, from October will add to rising supply.

Despite the OPEC+ cuts, oil inventories have risen. U.S. crude stocks increased in the latest week, as did gasoline stocks. Energy consultancy FGE also expects oil to rally, with prices reaching the mid-\$80s by the third quarter.

"We continue to expect the market to firm up," FGE said. "But it will likely need a convincing signal of tightening from preliminary inventory data."

Investor attention now turns to the release of U.S. consumer price index data for May on Wednesday for hints on when the Fed may start reducing interest rates.

The market is also waiting for the conclusion of the Fed's two-day policy meeting on Wednesday, in which the central bank is overwhelmingly expected to hold interest rates steady.

Markets dialed back expectations for rate cuts by the Fed in September after stronger-than-expected jobs data on Friday, with pricing now reflecting a less-than-50% chance of a reduction. Expectations for a cut had risen as high as 65% last week.

Traders also trimmed their expectations for the amount of Fed easing this year, with pricing implying just one cut versus two prior to the payrolls data, according to data from financial firm LSEG.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	JUL 24	77.74	2.38	77.96	75.23
Natural Gas	JUL 24	2.906	0.021	3.096	2.862
RB Gasoline	JUL 24	241.09	3.08	241.52	237.22
Heating Oil	JUL 24	241.47	6.60	241.80	235.50
Brent Fin Last Day	AUG 24	81.82	2.20	81.85	79.35
US Dollar Index		105.13	0.242	105.385	105.037

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
20/10/2023	1372	-450	156	-1266	13200	421120
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	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-2666	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-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

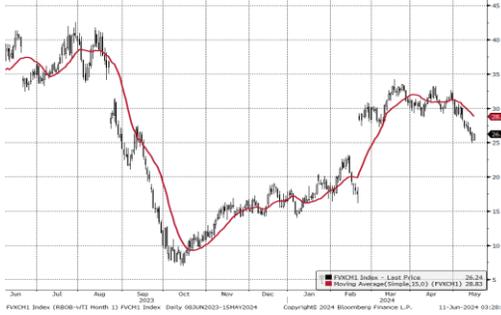
**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior	
06/08/2024 01:00	Baker Hughes U.S. Rig Count	Jun-07	--	594	600
06/08/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-07	--	98	100
06/08/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-07	--	492	496
06/12/2024 22:30	DOE U.S. Crude Oil Inventories	Jun-07	--	--	1233k
06/12/2024 22:30	DOE Cushing OK Crude Inventory	Jun-07	--	--	854k
06/12/2024 22:30	DOE U.S. Gasoline Inventories	Jun-07	--	--	2102k
06/12/2024 22:30	DOE U.S. Distillate Inventory	Jun-07	--	--	3197k
06/12/2024 22:30	DOE U.S. Refinery Utilization	Jun-07	--	--	1.10%
06/12/2024 22:30	DOE Crude Oil Implied Demand	Jun-07	--	--	19952
06/12/2024 22:30	DOE Gasoline Implied Demand	Jun-07	--	--	9837.4
06/12/2024 22:30	DOE Distillate Implied Demand	Jun-07	--	--	4746.3
06/13/2024 22:30	EIA Natural Gas Storage Change	Jun-07	--	--	98
06/13/2024 22:30	EIA Working Natural Gas Implied Flow	Jun-07	--	--	98
06/15/2024 01:00	Baker Hughes U.S. Rig Count	Jun-14	--	--	594
06/15/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-14	--	--	98
06/15/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-14	--	--	492

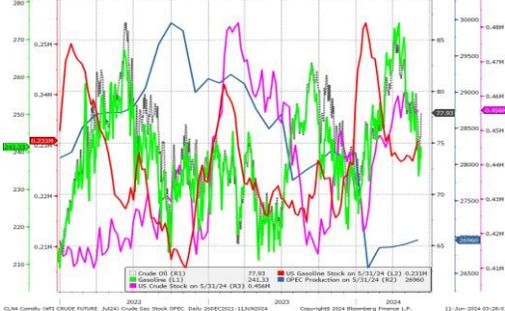
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



**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:	78.91	1st Resistance:	2.950	1st Resistance:	244.71
2nd Resistance:	80.07	2nd Resistance:	2.993	2nd Resistance:	248.32
1st Support:	76.57	1st Support:	2.862	1st Support:	237.47
2nd Support:	75.41	2nd Support:	2.819	2nd Support:	233.86
MACD:	-1.078	MACD:	0.086	MACD:	-5.004
MACD DIFF:	-0.007	MACD DIFF:	0.006	MACD DIFF:	-0.047
RSI:	50.947	RSI:	60.848	RSI:	43.193

Heating Oil		Brent Fin Last Day	
1st Resistance:	245.09	1st Resistance:	83.05
2nd Resistance:	248.71	2nd Resistance:	84.27
1st Support:	237.85	1st Support:	80.59
2nd Support:	234.23	2nd Support:	79.37
MACD:	-4.494	MACD:	-1.108
MACD DIFF:	0.089	MACD DIFF:	-0.022
RSI:	48.391	RSI:	49.942

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