

Fundamentals:

Oil prices fell for a second consecutive session on Monday to their lowest level in over a month, as investors looked past U.S. President Joe Biden's decision to end his reelection bid and focused on rising stockpiles and signs of weak demand.

Brent crude futures fell 54 cents, or 0.7%, to \$82.09 per barrel by 2:04 p.m. ET (1804 GMT), the lowest since June 11. The U.S. West Texas Intermediate crude futures contract for August delivery, which expires on Monday, fell 33 cents to \$79.80 a barrel, also a one-month low.

WTI futures for September delivery were down 55 cents to \$78.00.

Biden ended his reelection campaign on Sunday and endorsed Vice President Kamala Harris as the Democrat who should face Republican Donald Trump in the November election.

Traders took Biden's decision in stride while shrugging off escalating tensions in the Middle East. U.S. fuel distributor TACenergy's trading desk wrote on Monday. Market participants were focusing on a weak technical outlook, ample inventories and soft demand, they wrote.

While the oil market is visibly tight at the moment, it is expected to reach a balance by the fourth quarter this year and a surplus by next year, pulling Brent prices to the mid-to-high \$70s range in 2025, according to analysts at Morgan Stanley.

Energy policy will likely be a core debating point between Harris and Trump, but Citi analysts believe neither will promote policies that have an extreme effect on oil and gas operations as core positions.

In the Middle East, Israeli fighter jets struck Houthi military targets near Yemen's Hodeidah port on Saturday, killing at least six people. The Houthis on Sunday told media that they will continue to attack Israel and not abide by any rules of engagement.

Israel also sent tanks back into the greater Khan Younis area of Gaza, and at least 70 Palestinians were reported killed by Israeli fire, Gaza medics said on Monday.

Elsewhere, top oil importer China surprised markets by lowering a key short-term policy interest rate and benchmark lending rates to boost its economy, but the move failed to support oil prices. The Chinese interest rate cut has been too small to lift overall sentiment for crude oil, said UBS analyst Giovanni Staunovo.

The U.S. Federal Reserve will hold a policy meeting on July 30-31, with investors expecting it to hold rates steady, though there have been signs of a possible cut in September.

"If we get an indication of a [near-term] rate cut, the Fed could be positive for risk sensitive assets like oil," Staunovo said.

U.S. natural gas futures jumped about 4% to a one-week high on Monday with an increase in the amount of gas flowing to U.S. liquefied natural gas (LNG) export plants as Freeport LNG in Texas started exporting cargoes again after shutting for Hurricane Beryl in early July.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	AUG 24	79.78	-0.35	80.69	79.17
Natural Gas	AUG 24	2.251	0.105	2.270	2.090
RB Gasoline	AUG 24	247.06	1.68	247.34	241.82
Heating Oil	AUG 24	243.48	1.69	243.81	239.71
Brent, Fin Last Day	SEP 24	82.37	-0.26	83.21	81.59
US Dollar Index		104.33	-0.071	104.424	104.181

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	
07/20/2024 01:00	Baker Hughes U.S. Rig Count	Jul-19	--	586	584
07/20/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jul-19	--	103	100
07/20/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jul-19	--	477	478
07/24/2024 22:30	DOE U.S. Crude Oil Inventories	Jul-19	--	--	-4870k
07/24/2024 22:30	DOE Cushing OK Crude Inventory	Jul-19	--	--	-875k
07/24/2024 22:30	DOE U.S. Gasoline Inventories	Jul-19	--	--	3328k
07/24/2024 22:30	DOE U.S. Distillate Inventory	Jul-19	--	--	3454k
07/24/2024 22:30	DOE U.S. Refinery Utilization	Jul-19	--	--	-1.70%
07/24/2024 22:30	DOE Crude Oil Implied Demand	Jul-19	--	--	21033
07/24/2024 22:30	DOE Gasoline Implied Demand	Jul-19	--	--	9633.4
07/24/2024 22:30	DOE Distillate Implied Demand	Jul-19	--	--	4,844
07/25/2024 22:30	EIA Natural Gas Storage Change	Jul-19	--	--	10
07/25/2024 22:30	EIA Working Natural Gas Implied Flow	Jul-19	--	--	10
07/27/2024 01:00	Baker Hughes U.S. Rig Count	Jul-26	--	--	586
07/27/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jul-26	--	--	103
07/27/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jul-26	--	--	477

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



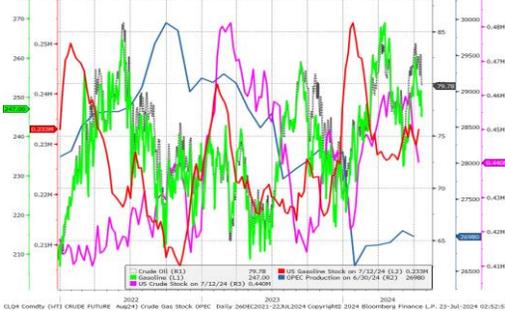
CL:Q4 Comdy (WTI CRUDE FUTURE Aug24) Crude Gas Rig Count Daily 03JAN2023-12JUN2024 Copyright 2024 Bloomberg Finance L.P. 23-Jul-2024 02:52:24

Normalized RBOB Gasoline minus Nymex Crude Oil Price



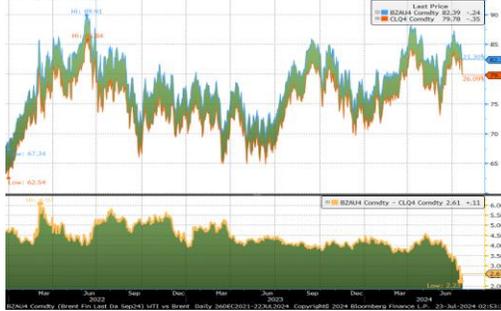
FVCH1 Index (RBOB-WTI) month 1) FVCH1 Index Daily 03JAN2023-12JUN2024 Copyright 2024 Bloomberg Finance L.P. 23-Jul-2024 02:53:20

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



CL:Q4 Comdy (WTI CRUDE FUTURE Aug24) Crude Gas Stock OPEC Daily 20R022021-22JUN2024 Copyright 2024 Bloomberg Finance L.P. 23-Jul-2024 02:52:52

WTI-Brent Spread



CL:Q4 Comdy (Brent Fin Last Day Sep24) WTI vs Brent Daily 20R022021-22JUN2024 Copyright 2024 Bloomberg Finance L.P. 23-Jul-2024 03:01:37

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: 80.98	1st Resistance: 2.285	1st Resistance: 250.77
2nd Resistance: 82.17	2nd Resistance: 2.319	2nd Resistance: 254.47
1st Support: 78.58	1st Support: 2.217	1st Support: 243.35
2nd Support: 77.39	2nd Support: 2.163	2nd Support: 239.65
MACD: 0.429	MACD: -0.165	MACD: 0.207
MACD DIFF: -0.383	MACD DIFF: -0.016	MACD DIFF: -0.983
RSI: 44.702	RSI: 40.093	RSI: 45.687
Heating Oil	Brent Fin Last Day	
1st Resistance: 247.13	1st Resistance: 83.61	
2nd Resistance: 250.78	2nd Resistance: 84.84	
1st Support: 239.83	1st Support: 81.13	
2nd Support: 236.18	2nd Support: 79.90	
MACD: -1.249	MACD: 0.073	
MACD DIFF: -1.681	MACD DIFF: -0.434	
RSI: 39.496	RSI: 41.215	

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