

Fundamentals:

Oil prices rose 2% on Monday as the ongoing impact of Hurricane Francine on output in the U.S. Gulf of Mexico offset persistent Chinese demand concerns ahead of a U.S. Federal Reserve rate cut decision later this week.

Brent crude futures for November were up \$1.35, or 1.89%, at \$72.96 a barrel by 2:06 p.m. EDT (1806 GMT). U.S. crude futures for October rose \$1.7, or 2.48%, to \$70.55.

Nearly a fifth of crude oil production and 28% of natural gas output in the Gulf of Mexico remained offline after Hurricane Francine, the U.S. offshore energy regulator said on Sunday.

"We've still got the remnants of the storm," said Matt Smith, lead oil analyst at Kpler. "The impact is more on the production side than on refining. Therefore, it leans a little bit bullish."

Overall, however, the market remains cautious ahead of the Federal Reserve's interest rate decision on Wednesday.

"For the next two and a half days, the markets will be collectively holding their breath," said Tim Snyder, chief economist at Matador Economics.

Traders are increasingly betting on a Fed rate cut of 50 basis points (bps) rather than 25 bps, as shown by the CME FedWatch tool that tracks Fed fund futures.

Lower interest rates typically reduce the cost of borrowing, which can boost economic activity and lift demand for oil.

However, a cut of 50 bps could also signal weakness in the U.S. economy, which could raise concerns over oil demand, said OANDA analyst Kelvin Wong.

Weaker Chinese economic data over the weekend dampened market sentiment, with the low-for-longer growth outlook in the world's second-largest economy reinforcing doubts over oil demand, IG market strategist Yeap Jun Rong said in an email.

Industrial output growth in China, the world's top oil importer, slowed to a five-month low in August while retail sales and new home prices weakened further.

China's oil refinery output also fell for a fifth month as weak fuel demand and export margins curbed production.

Brent and WTI each gained about 1% last week but remain comfortably below their August averages of \$78.88 and \$75.43 a barrel respectively after a price slide around the start of this month driven in part by demand concerns.

U.S. natural gas futures rose more than 2% on Monday, buoyed by forecasts for higher demand over the next week, while the market also factored in production cuts due to last week's storm.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	OCT 24	70.09	1.72	70.70	68.65
Natural Gas	OCT 24	2.373	0.077	2.397	2.265
RB Gasoline	OCT 24	196.82	4.51	198.52	192.15
Heating Oil	OCT 24	209.68	1.41	211.57	206.76
Brent Fin Last Day	NOV 24	72.88	1.27	73.38	71.52
US Dollar Index		100.78	-0.333	101.052	100.587

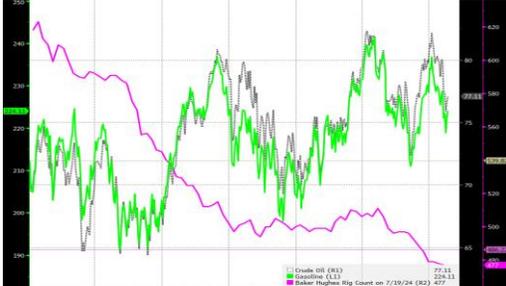
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
20/10/2023	1372	-450	156	-1266	13200	421120
13/11/2023	-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

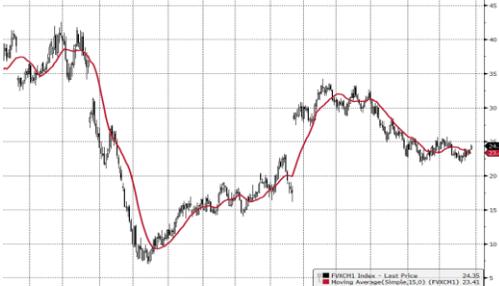
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
09/14/2024 01:00	Baker Hughes U.S. Rig Count	Sep-13	--	590
09/14/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Sep-13	--	97
09/14/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Sep-13	--	488
09/18/2024 22:30	DOE U.S. Crude Oil Inventories	Sep-13	--	833k
09/18/2024 22:30	DOE Cushing OK Crude Inventory	Sep-13	--	-1704k
09/18/2024 22:30	DOE U.S. Gasoline Inventories	Sep-13	--	2310k
09/18/2024 22:30	DOE U.S. Distillate Inventory	Sep-13	--	2308k
09/18/2024 22:30	DOE U.S. Refinery Utilization	Sep-13	--	-0.50%
09/18/2024 22:30	DOE Crude Oil Implied Demand	Sep-13	--	20048
09/18/2024 22:30	DOE Gasoline Implied Demand	Sep-13	--	9413.7
09/18/2024 22:30	DOE Distillate Implied Demand	Sep-13	--	5080.3
09/19/2024 22:30	EIA Natural Gas Storage Change	Sep-13	--	40
09/19/2024 22:30	EIA Working Natural Gas Implied Flow	Sep-13	--	40
09/21/2024 01:00	Baker Hughes U.S. Rig Count	Sep-20	--	590
09/21/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Sep-20	--	97
09/21/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Sep-20	--	488

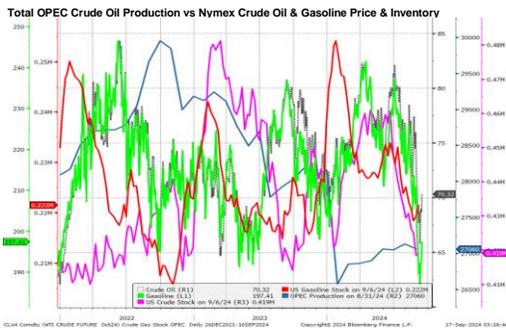
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



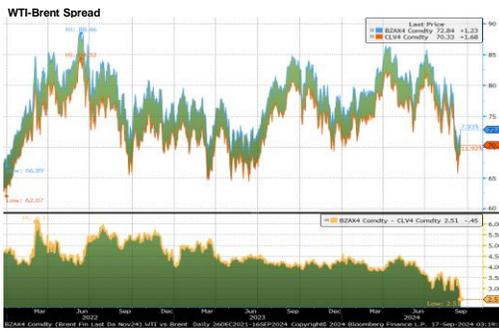
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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: 71.14	1st Resistance: 2.409	1st Resistance: 199.77
2nd Resistance: 72.19	2nd Resistance: 2.444	2nd Resistance: 202.72
1st Support: 69.04	1st Support: 2.337	1st Support: 193.87
2nd Support: 67.99	2nd Support: 2.302	2nd Support: 190.92
MACD: -1.909	MACD: 0.010	MACD: -6.565
MACD DIFF: -0.108	MACD DIFF: 0.028	MACD DIFF: -0.066
RSI: 46.124	RSI: 58.088	RSI: 43.343

Heating Oil	Brent Fin Last Day
1st Resistance: 212.83	1st Resistance: 73.97
2nd Resistance: 215.97	2nd Resistance: 75.07
1st Support: 206.53	1st Support: 71.79
2nd Support: 203.39	2nd Support: 70.69
MACD: -7.831	MACD: -2.028
MACD DIFF: -0.782	MACD DIFF: -0.167
RSI: 36.267	RSI: 43.504

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	69.04	69.73	68.69	67.99	68.67	67.65	71.14	70.43	71.50	72.19	71.47	72.55
Natural Gas	2.337	2.361	2.326	2.302	2.325	2.290	2.409	2.385	2.421	2.444	2.420	2.456
Gasoline	193.87	195.81	192.90	190.92	192.82	189.96	199.77	197.77	200.77	202.72	200.70	203.74
Heating Oil	206.53	208.60	205.50	203.39	205.42	202.37	212.83	210.70	213.89	215.97	213.81	217.05
Brent Fin Last Day	71.79	72.50	71.43	70.69	71.40	70.34	73.97	73.23	74.34	75.07	74.32	75.44

Kenanga Futures Sdn Bhd (353603-X)
 Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
 Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision. Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities. Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.