

Fundamentals:

Oil futures slipped from the highest levels in several weeks on Monday on weakness in consumer spending in China, which is the world's largest oil importer, and as investors panned buying ahead of the U.S. Federal Reserve's interest rate decision.

Brent crude futures LCOc1 fell 39 cents to \$74.10 a barrel by 1:10 p.m. EST, after settling on Friday at their highest since Nov. 22.

U.S. West Texas Intermediate crude CLc1 shed 35 cents to \$70.94 after registering its highest close since Nov. 7 in the previous session.

Last week, oil benefited from the expectation that supply would tighten with additional sanctions on crude producers Russia and Iran, while possible lower interest rates in the U.S. and Europe would spur demand.

"We feel that last week's events have been appropriately priced and that this week will be bringing fewer items capable of supporting oil prices," said Jim Ritterbusch of consultancy Ritterbusch and Associates in Florida.

Chinese retail sales were slower than expected, keeping pressure on Beijing to ramp up stimulus for a fragile economy facing U.S. trade tariffs under a second Trump administration.

"China has historically been the global demand engine," said Bob Yawger, director of energy futures at Mizuho in New York. "However, the rate of demand growth has slowed dramatically in the past year as the economy has slowed and EV sales have increased."

The Chinese outlook contributed the decision by oil producer group OPEC+ to postpone plans for higher output until April.

"Whatever stimulus is being deployed, consumers are not buying into it, and without a serious sea-change in personal spending behaviour, China's economic fortunes will be stunted," said John Evans at oil broker PVM.

Traders also took profits while awaiting the U.S. Central Bank's decision on interest rates this week.

IG market analyst Tony Sycamore said that light profit-taking was to be expected after prices jumped more than 6% last week.

He noted that many banks and funds are likely to have closed their books given reduced appetite for positions during the holiday season.

The Fed is expected to cut interest rates by a quarter of a percentage point at its Dec. 17-18 meeting, which will also provide an updated look at how much further Fed officials think they will reduce rates in 2025 and perhaps into 2026.

Lower interest rates can stimulate economic growth and increase oil demand.

Oil prices were further pressured by the U.S. dollar, which briefly hovered close to a three-week high versus other major currencies, ahead of the week of central bank meetings.

The U.S. dollar and commodities like crude oil tend to trade inversely.

Investors were also looking to U.S. oil inventory reports coming up this week for guidance.

Four analysts polled by Reuters estimated on average that crude inventories fell by about 1.9 million barrels in the week to Dec. 13.

U.S. natural gas futures dropped sharply on Monday, opening with a downside gap as bearish fundamentals weighed on the market. Production remains elevated, with Wood Mackenzie estimating output at 103.8 Bcf on Monday.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	JAN 25 70.71	-0.75	71.44	70.37
Natural Gas	JAN 25 3.214	-0.062	3.253	3.145
RB Gasoline	JAN 25 197.57	-2.98	200.21	197.06
Heating Oil	JAN 25 226.40	-1.08	227.55	225.06
Brent Fin Last Day	FEB 25 73.77	-0.72	74.54	73.70
US Dollar Index	106.86	-0.144	107.167	106.748

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

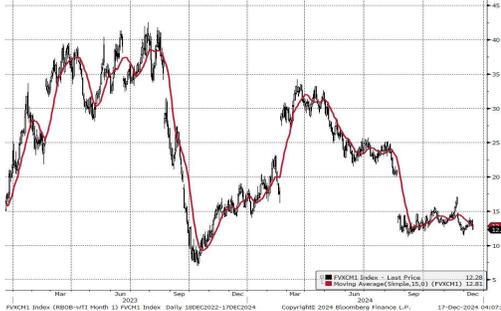
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
12/14/2024 02:00	Baker Hughes U.S. Rig Count	Dec-13	--	589
12/14/2024 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-13	--	103
12/14/2024 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-13	--	482
12/18/2024 23:30	DOE U.S. Crude Oil Inventories	Dec-13	--	-1425k
12/18/2024 23:30	DOE Cushing OK Crude Inventory	Dec-13	--	-1298k
12/18/2024 23:30	DOE U.S. Gasoline Inventories	Dec-13	--	5086k
12/18/2024 23:30	DOE U.S. Distillate Inventory	Dec-13	--	3235k
12/18/2024 23:30	DOE U.S. Refinery Utilization	Dec-13	--	-0.90%
12/18/2024 23:30	DOE Crude Oil Implied Demand	Dec-13	--	19519
12/18/2024 23:30	DOE Gasoline Implied Demand	Dec-13	--	9849.4
12/18/2024 23:30	DOE Distillate Implied Demand	Dec-13	--	4920.9
12/19/2024 23:30	EIA Natural Gas Storage Change	Dec-13	--	-190
12/19/2024 23:30	EIA Working Natural Gas Implied Flow	Dec-13	--	-190.0
12/21/2024 02:00	Baker Hughes U.S. Rig Count	Dec-20	--	589.0
12/21/2024 02:00	Baker Hughes U.S. Rotary Gas Rigs	Dec-20	--	103
12/21/2024 02:00	Baker Hughes U.S. Rotary Oil Rigs	Dec-20	--	482

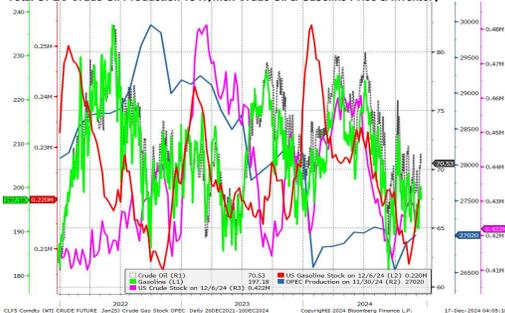
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



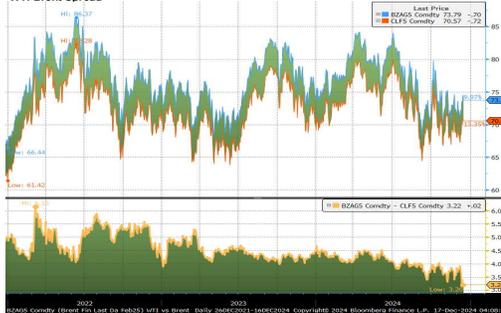
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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:	71.77	1st Resistance:	3.262	1st Resistance:	200.53
2nd Resistance:	72.83	2nd Resistance:	3.166	2nd Resistance:	194.61
1st Support:	69.65	1st Support:	0.019	1st Support:	194.61
2nd Support:	68.59	2nd Support:	0.009	2nd Support:	191.64
MACD:	0.186	MACD:	0.009	MACD:	0.185
MACD DIFF:	0.297	MACD DIFF:	0.009	MACD DIFF:	0.630
RSI:	54.751	RSI:	49.719	RSI:	51.423

Heating Oil		Brent Fin Last Day	
1st Resistance:	229.80	1st Resistance:	74.88
2nd Resistance:	233.19	2nd Resistance:	75.98
1st Support:	223.00	1st Support:	72.66
2nd Support:	219.61	2nd Support:	71.56
MACD:	-0.126	MACD:	0.091
MACD DIFF:	0.851	MACD DIFF:	0.242
RSI:	55.274	RSI:	53.693

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