

Fundamentals:

Oil prices fell around 1% on Monday as investors weighed a potential global glut, with U.S.-China trade tensions adding to concerns about an economic slowdown and weaker energy demand.

Brent crude futures were down 57 cents, or 0.93%, at \$60.72 a barrel as of 11:25 a.m. EDT (1525 GMT), while U.S. West Texas Intermediate futures fell 42 cents, or 0.73%, to \$57.12.

Both benchmarks fell more than \$1 earlier in the session.

Oil traders' concerns have shifted from under-supply to over-supply, the futures contract structure of the global benchmark Brent showed.

The six-month spread for Brent and U.S. crude futures both show contracts for earlier loading are trading below those for later loading, a structure known as contango, which encourages traders to pay for storing oil so it can be sold at higher prices when supplies are expected to have shrunk in the future.

The Brent contango, which emerged on Thursday for the first time since a brief appearance in May, was trading at its widest since December 2023.

The U.S. crude futures contango emerged on Friday for the first time since January 2024.

"These glut fears are now descending onto the market, particularly looking forward into 2026. We will start to see floating storage pick up and inland tanks get filled," said John Kiduff, partner with Again Capital.

"This is a real bearish narrative that we have not seen in some time," Kiduff added.

Both benchmarks declined more than 2% last week, marking their third consecutive weekly decline, partly due to the International Energy Agency's outlook for a growing supply glut in 2026.

Last week, the head of the World Trade Organization said she had urged the United States and China to de-escalate trade tensions, warning that a decoupling by the world's two largest economies could reduce global economic output by 7% over the longer term.

The two top oil consumers have recently renewed their trade war, imposing additional port fees on ships carrying cargo between them - tit-for-tat moves that could disrupt global freight flows.

Uncertainty remains over what may happen with Russian oil supply, with U.S. President Donald Trump warning again on Sunday that Washington would maintain "massive" tariffs on India unless it stopped buying Russian oil.

On the supply side, U.S. energy firms last week added rigs for the first time in three weeks, energy services firm Baker Hughes said.

U.S. natural gas futures jumped about 8% to a one-week high on Monday on forecasts for much colder weather and higher heating demand over the next two weeks than previously expected and on a decline in output so far this month and near-record flows of gas to liquefied natural gas (LNG) export plants.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	NOV 25 57.52	-0.02	57.81	56.35
Natural Gas	NOV 25 3.397	0.376	3.419	3.136
RB Gasoline	NOV 25 183.02	-0.90	183.96	180.73
Heating Oil	NOV 25 219.21	0.75	219.79	216.60
Brent, Fin Last Day	DEC 25 60.99	-0.30	61.55	60.07
US Dollar Index		0.190	98.668	98.386

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
3/10/2025	3715	350	-1601	-1382	13629	420261
26/9/2025	1792	-50	4125	-80	13505	416546
19/9/2025	-607	500	-1081	-1000	13501	414754
12/9/2025	-9285	1766	-2347	675	13482	415361
5/9/2025	3939	-1400	1458	500	13495	424646
29/8/2025	2415	-1900	-3795	-1400	13423	420707
22/8/2025	-2392	-2000	-1236	-1600	13439	418292
15/8/2025	-6014	-850	-2720	-317	13382	420684
8/8/2025	3036	-912	-792	-724	13327	426698
1/8/2025	-3029	0	-1323	-1000	13284	423662
25/7/2025	7698	-2600	-2724	-1100	13314	426691
18/7/2025	-3169	-1500	-1738	-200	13273	418993

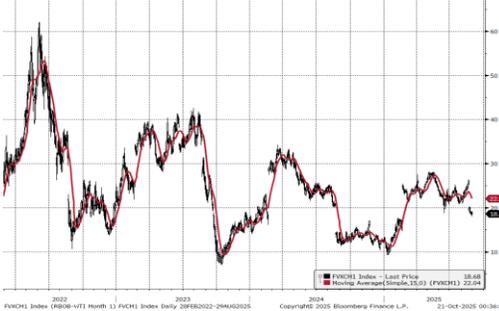
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/16/2025 22:30	EIA Natural Gas Storage Change	Oct-25	80.78	80
10/16/2025 22:30	EIA Working Natural Gas Implied Flow	Oct-25	80.78	80
10/17/2025 00:00	DOE U.S. Crude Oil Inventories	Oct-25	-1200k	3524k
10/17/2025 00:00	DOE Cushing OK Crude Inventory	Oct-25	--	-703k
10/17/2025 00:00	DOE U.S. Gasoline Inventories	Oct-25	-1000k	-267k
10/17/2025 00:00	DOE U.S. Distillate Inventory	Oct-25	-1000k	-4529k
10/17/2025 00:00	DOE U.S. Refinery Utilization	Oct-25	-1.00%	-6.70%
10/17/2025 00:00	DOE Crude Oil Implied Demand	Oct-25	--	18658
10/17/2025 00:00	DOE Gasoline Implied Demand	Oct-25	--	9473.4
10/17/2025 00:00	DOE Distillate Implied Demand	Oct-25	--	5399
10/18/2025 01:00	Baker Hughes U.S. Rig Count	Oct-25	--	548
10/18/2025 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-25	--	121
10/18/2025 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-25	--	418

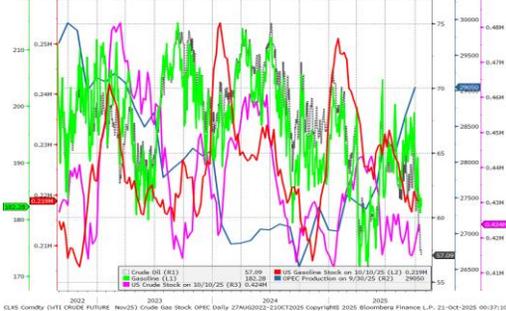
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



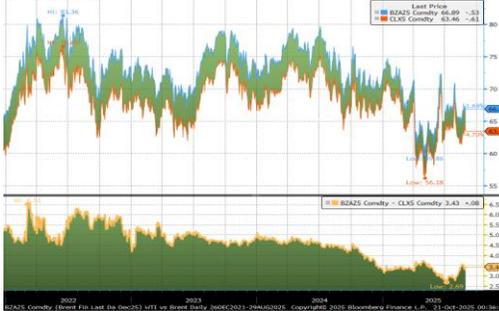
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil		Natural Gas	
1st Resistance:	58.38	1st Resistance:	3.448
1st Support:	56.66	1st Support:	3.346
MACD:	-1.465	MACD:	-0.055
MACD DIFF:	-0.469	MACD DIFF:	-0.010
RSI:	31.869	RSI:	55.371

Heating Oil		Brent Fin Last Day	
1st Resistance:	222.50	1st Resistance:	61.90
1st Support:	215.92	1st Support:	60.08
MACD:	-3.591	MACD:	-1.447
MACD DIFF:	-1.196	MACD DIFF:	-0.488
RSI:	40.203	RSI:	31.917

Gasoline	
1st Resistance:	185.77
1st Support:	180.27
MACD:	-2.716
MACD DIFF:	-0.680
RSI:	40.557

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