

Fundamentals:

Oil prices fell by more than a dollar a barrel on Wednesday, ending a three-day rally, as economic data suggested that the U.S. Federal Reserve might hike interest rates further.

Brent crude dropped \$1.03, or 1.3%, to settle at \$76.41 a barrel while U.S. West Texas Intermediate crude (WTI) fell \$1.15, or 1.6%, to \$72.56 a barrel.

U.S. consumer prices rose in April, potentially raising the likelihood that the Fed will maintain higher interest rates. Rising global interest rates have weighed on oil prices in recent months, with traders concerned about recession.

U.S. crude oil inventories rose by about 3 million barrels last week due to another release from national reserves and a drop in exports, the Energy Information Administration said.

The government report confirmed industry data released late Tuesday that had reported an unexpected build, which weighed on prices for most of Wednesday's session.

Analysts polled by Reuters had forecast a crude drawdown of 900,000 barrels.

The surprising U.S. crude inventory build, along with lower crude imports and April's softer export growth in China exacerbated worries about global oil demand.

The decline in crude prices was, however, limited by a surge in U.S. gasoline demand ahead of the summer driving season.

U.S. gasoline inventories fell by 3.2 million barrels last week, much bigger than the 1.2 million-barrel draw forecast by analysts. Distillate stocks also declined, EIA data showed.

ROBO gasoline futures rose 0.7% to \$2.50 per gallon, while the ULSD futures contract was unchanged.

U.S. natural gas futures fell about 3% on Wednesday as Canada boosted exports after reducing flows earlier in the week due to wildfires in Alberta, and spot gas prices at the Waha hub in West Texas closed in negative territory for the first time since October 2020.

The spot gas prices at the Waha hub in the Permian Shale closed in negative territory as pipeline maintenance prevented some gas from leaving the basin and mild spring weather reduced demand for the fuel.

Gas futures fell despite a decline in U.S. output in recent days and forecasts for higher gas demand over the next two weeks than previously expected.

Front-month gas futures for June delivery on the New York Mercantile Exchange fell 7.6 cents, or 3.4%, to settle at \$2.191 per million British thermal units (mmBtu). On Tuesday, the contract settled at its highest level since May 1 for a second day in a row.

The White House on Wednesday called on Congress to pass permitting legislation that would help speed up clean energy and fossil fuel projects, betting that the bipartisan measure may help end a standoff on the debt ceiling.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil JUN 23	72.56	-0.90	73.89	71.80
Natural Gas JUN 23	2.191	-0.085	2.265	2.160
RB Gasoline JUN 23	249.49	1.63	251.23	245.76
Heating Oil JUN 23	239.34	0.64	240.80	236.44
Brent Fin Last Day JUL 23	76.69	-0.75	77.60	75.68
US Dollar Index	101.43	-0.171	101.806	101.215

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
5/5/2023	2951	-2500	-3167	-1500	12300	462584
28/4/2023	-1281	-500	1742	-1500	12300	459633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914
14/4/2023	-4581	-250	1299	-1250	12300	465968
7/4/2023	597	-1050	-330	-1900	12300	470549
31/3/2023	-3739	-1700	-4119	-2000	12200	469952
24/3/2023	-7489	1750	-2904	-2250	12200	473691
17/3/2023	-6399	-1800	-6399	-2364	12300	481180
10/3/2023	1550	1500	-2061	-1617	12200	480063
3/3/2023	-1694	1600	-1134	-2000	12200	478513
24/2/2023	1166	1900	-874	-1000	12300	480207
17/2/2023	7647	2800	-1856	900	12300	479041

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
05/10/2023 00:00 STEO Fwd Yr Dry Nat Gas Forecast	May	--	101.24	101.58
05/10/2023 00:00 STEO Curr Yr Dry Nat Gas Forecast	May	--	101.09	100.87
05/10/2023 00:00 STEO Fwd Yr Crude Forecast	May	--	12.69	12.75
05/10/2023 00:00 STEO Current Yr Crude Forecast	May	--	12.53	12.54
05/10/2023 22:30 DOE U.S. Crude Oil Inventories	May-05	-2500k	2951k	-1281k
05/10/2023 22:30 DOE Cushing OK Crude Inventory	May-05	--	397k	541k
05/10/2023 22:30 DOE U.S. Gasoline Inventories	May-05	-1500k	-3167k	1742k
05/10/2023 22:30 DOE U.S. Distillate Inventory	May-05	-1000k	-4170k	-1190k
05/10/2023 22:30 DOE U.S. Refinery Utilization	May-05	0.60%	0.30%	-0.60%
05/10/2023 22:30 DOE Crude Oil Implied Demand	May-05	--	17431	18879
05/10/2023 22:30 DOE Gasoline Implied Demand	May-05	--	10062.9	9459.6
05/10/2023 22:30 DOE Distillate Implied Demand	May-05	--	5312.7	4890
05/11/2023 22:30 EIA Natural Gas Storage Change	May-05	78	--	54
05/11/2023 22:30 EIA Working Natural Gas Implied Flow	May-05	78	--	54

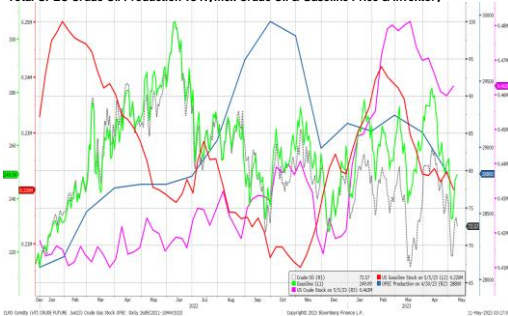
U.S. Oil Rq Count vs Nymex Crude Oil & Gasoline Price



Normalized ROBO Gasoline minus Nymex Crude Oil Price



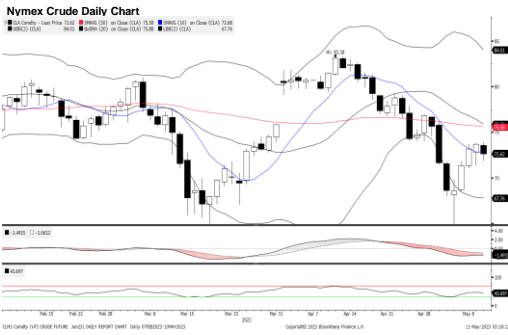
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil	1st Resistance: 73.65	2nd Resistance: 74.74	Natural Gas	1st Resistance: 2.224	2nd Resistance: 2.257	Gasoline	1st Resistance: 253.23	2nd Resistance: 256.97
	1st Support: 71.47	2nd Support: 70.38		1st Support: 2.158	2nd Support: 2.125		1st Support: 245.75	2nd Support: 242.01
	MACD: -1.477			MACD: -0.082			MACD: -5.459	
	MACD DIFF: -0.418			MACD DIFF: -0.001			MACD DIFF: -0.683	
	RSI: 44.101			RSI: 41.863			RSI: 46.431	
Heating Oil	1st Resistance: 242.93	2nd Resistance: 246.52	Brent Fin Last Day	1st Resistance: 77.84	2nd Resistance: 78.99			
	1st Support: 235.75	2nd Support: 232.16		1st Support: 75.54	2nd Support: 74.39			
	MACD: -6.343			MACD: -1.564				
	MACD DIFF: 0.353			MACD DIFF: -0.341				
	RSI: 45.118			RSI: 44.068				

Strategy

Crude Oil	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Natural Gas	71.47	72.19	71.11	70.38	71.09	70.03	73.65	72.91	74.02	74.74	73.99	75.11
Gasoline	245.75	248.21	244.52	242.01	244.43	240.80	253.23	250.70	254.50	256.97	254.40	258.26
Heating Oil	235.75	238.11	234.57	232.16	234.48	231.00	242.93	240.50	244.14	246.52	244.05	247.75
Brent Fin Last Day	75.54	76.30	75.16	74.39	75.13	74.02	77.84	77.06	78.23	78.99	78.20	79.39

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