

Fundamentals:

Oil prices settled more than 1% lower on Friday, falling for the third consecutive week, as the market balanced supply fears against renewed economic concerns in the United States and China.

Brent crude futures settled down 81 cents, or 1.1%, to \$74.17 while West Texas Intermediate (WTI) U.S. crude futures fell 83 cents, or 1.2%, to \$70.04.

Both benchmarks settled about 1.5% lower week on week.

The U.S. dollar clung to modest gains against the euro on Friday and was headed for its biggest weekly gain since February, as uncertainty around the U.S. debt ceiling and monetary policy prompted a shift to safe havens.

A stronger greenback makes dollar-priced oil more expensive for holders of other currencies.

Concern mounted that the United States - the world's biggest oil consumer - will enter recession, with talks over the U.S. government's debt ceiling postponed and concern growing over another crisis-hit regional bank.

The U.S. Federal Reserve will probably need to raise interest rates further if inflation stays high, Fed Governor Michelle Bowman said on Friday, adding that data this month has not convinced her that price pressures are receding.

Meanwhile, China's April consumer price data rose at a slower pace than in March, missing expectations, while deepening factory gate deflation refocused doubts about its recovery from COVID restrictions driving oil demand growth.

The U.S. oil and natural gas rig count fell this week to its lowest in nearly a year, as gas rigs slumped by the most in a week since February 2016, energy services firm Baker Hughes Co said in its closely followed report on Friday.

U.S. oil rigs fell by two to 586 this week, their lowest since June 2022, while gas rigs plunged by 16 to 141, their lowest April last year.

The market drew some support from the forecast emerging supply deficit for the second half of the year, even as Iraq's oil minister Hayan Abedi-Chami told Reuters on Friday he does not expect OPEC+ to decide on further production cuts when it next meets in Vienna on June 4.

An OPEC report on Thursday said the producer group expects July-December demand for its own crude to be 90,000 barrels per day (bpd) higher than previously projected.

The Organization of the Petroleum Exporting Countries (OPEC) kept its global oil demand forecast for 2023 unchanged on Thursday, expecting economic risks to be offset by higher Chinese demand growth.

The market also drew support after U.S. energy secretary Jennifer Granholm signalled that the country could repurchase oil for the Strategic Petroleum Reserve (SPR) after completing a congressionally mandated sale next month.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil JUN 23	70.04	-0.77	71.78	69.93
Natural Gas JUN 23	2.266	0.086	2.335	2.147
RB Gasoline JUN 23	243.02	-2.98	247.83	241.56
Heating Oil JUN 23	230.55	-4.46	236.17	230.10
Brent Fin Last Day JUL 23	74.18	-0.80	75.84	74.03
US Dollar Index	102.71	0.647	102.714	101.937

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
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	-4681	-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	7847	2800	-1856	900	12300	479041

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
05/13/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	May-12	589	586	588
05/13/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	May-12	--	141	157
05/13/2023 01:00 Baker Hughes U.S. Rig Count	May-12	--	731	748
05/17/2023 22:30 DOE U.S. Crude Oil Inventories	May-12	--	--	2951k
05/17/2023 22:30 DOE Cushing OK Crude Inventory	May-12	--	--	397k
05/17/2023 22:30 DOE U.S. Gasoline Inventories	May-12	--	--	-3167k
05/17/2023 22:30 DOE U.S. Distillate Inventory	May-12	--	--	-4170k
05/17/2023 22:30 DOE U.S. Refinery Utilization	May-12	--	--	0.307%
05/17/2023 22:30 DOE Crude Oil Implied Demand	May-12	--	--	17431
05/17/2023 22:30 DOE Gasoline Implied Demand	May-12	--	--	10062.9
05/17/2023 22:30 DOE Distillate Implied Demand	May-12	--	--	5312.7
05/18/2023 22:30 EIA Natural Gas Storage Change	May-12	--	--	78
05/18/2023 22:30 EIA Working Natural Gas Implied Flow	May-12	--	--	78

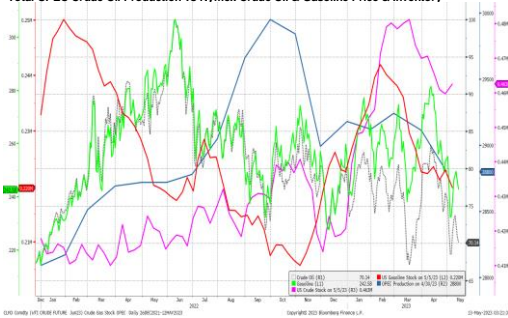
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



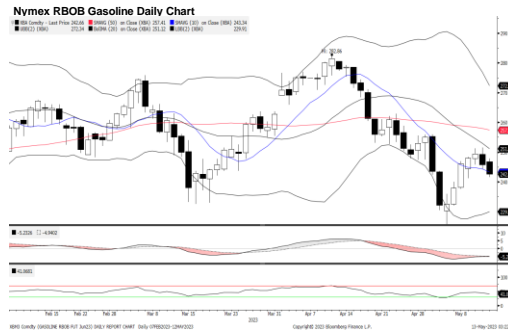
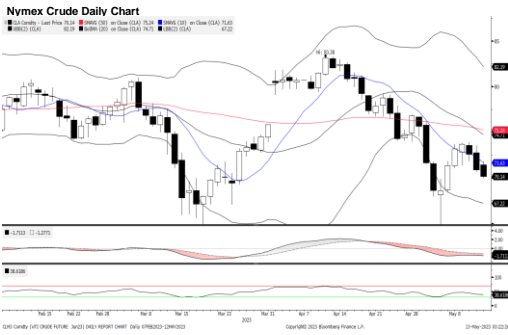
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil	1st Resistance: 71.09	2nd Resistance: 72.14	Natural Gas	1st Resistance: 2.300	2nd Resistance: 2.334	Gasoline	1st Resistance: 246.67	2nd Resistance: 250.31
	1st Support: 68.99	2nd Support: 67.94		1st Support: 2.232	2nd Support: 2.198		1st Support: 239.37	2nd Support: 235.73
	MACD: -1.715			MACD: -0.072			MACD: -5.223	
	MACD DIFF: -0.437			MACD DIFF: 0.007			MACD DIFF: -0.284	
	RSI: 38.543			RSI: 47.266			RSI: 41.163	
Heating Oil	1st Resistance: 234.01	2nd Resistance: 237.47	Brent Fin Last Day	1st Resistance: 75.29	2nd Resistance: 76.41			
	1st Support: 227.09	2nd Support: 223.63		1st Support: 73.07	2nd Support: 71.95			
	MACD: -6.176			MACD: -1.745				
	MACD DIFF: 0.323			MACD DIFF: -0.346				
	RSI: 37.472			RSI: 38.810				

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	2.232	2.254	2.221	2.198	2.220	2.187	2.300	2.277	2.311	72.14	71.42	72.50
Gasoline	239.37	241.77	238.18	235.73	238.09	234.55	246.67	244.20	247.90	250.31	247.81	251.56
Heating Oil	227.09	229.36	225.96	223.63	225.87	222.52	234.01	231.67	235.18	237.47	235.09	238.65
Brent Fin Last Day	73.07	73.80	72.70	71.95	72.67	71.59	75.29	74.54	75.67	76.41	75.64	76.79

Kenanga Futures Sdn Bhd (353603-X)
 Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
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