

**Fundamentals:**

Oil prices edged up 1% on Monday with a rise in U.S. gasoline futures and forecasts for oil demand to rise in the second half of the year, while supplies from Canada and OPEC+ declined in recent weeks.

Oil prices, however, were held in check by a stronger dollar and as the market waited for news on the U.S. debt ceiling talks.

Brent futures for July delivery rose 41 cents, or 0.5%, to settle at \$75.99 a barrel.

U.S. West Texas Intermediate (WTI) crude for June delivery rose 44 cents, or 0.6%, to settle at \$71.99 per barrel, while the more active July contract, which is now the new front-month, rose 0.5% to settle at \$72.05.

U.S. gasoline futures were the biggest price mover, gaining 2.8% to a one-month high of \$2.6489 per gallon.

The U.S. Memorial Day holiday marks the start of the peak summer driving season.

The International Energy Agency (IEA), meanwhile, warned of a looming oil shortage in the second half of the year when demand is expected to eclipse supply by almost 2 million barrels per day (bpd), the Paris-based agency said in its latest monthly report.

A senior executive at Vitol said Asia will lead oil demand growth of around 2 million bpd in the second half of the year, an increase that could potentially lead to a shortage of supply and drive up prices.

Last week, both oil benchmarks gained about 2% in their first weekly rise in five after wildfires shut in large amounts of crude supply in Alberta, Canada.

The impact of voluntary production cuts by the Organization of the Petroleum Exporting Countries and its allies including Russia, known as OPEC+, is also being felt after going into effect this month.

Oil production in Iraq's Kurdistan region continued to drop as export flows to Turkey's Ceyhan port show few signs of restarting after a stoppage that has lasted almost two months.

Total exports of crude and oil products from OPEC+ plunged by 1.7 million bpd by May 16, JP Morgan said, adding that Russian oil exports will likely fall by late May.

U.S. President Joe Biden and top congressional Republican Speaker Kevin McCarthy will meet on Monday to discuss raising the federal government's debt ceiling, just 10 days before the U.S. could face an unprecedented default.

The U.S. dollar rose against a basket of other currencies, holding just below a two-month high, as investors waited on fresh signals on whether the U.S. Federal Reserve is likely to continue hiking interest rates and watched for news on the U.S. debt ceiling.

A stronger dollar can weigh on oil demand by making the fuel more expensive for holders of other currencies.

U.S. Minneapolis Fed President Neel Kashkari said it was a "close call" whether he would vote to raise interest rates or pause the central bank's tightening cycle when it meets next month.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	JUL 23 72.05	0.45	72.53	70.67	
Natural Gas	JUN 23 2.400	-0.185	2.569	2.367	
RB Gasoline	JUN 23 264.89	9.34	267.62	254.92	
Heating Oil	JUN 23 236.64	0.90	238.14	233.17	
Brent, Fin Last Day	JUL 23 76.04	0.46	76.46	74.55	
US Dollar Index		103.24	0.045	103.369	102.964

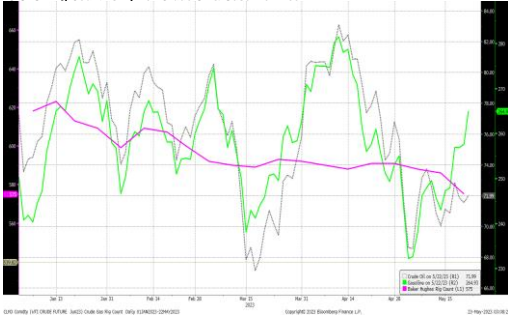
**Bloomberg Survey on U.S. Total Change in Inventories**

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
12/5/2023	5040	-2000	-1381	-2000	12200	467624
5/5/2023	2951	-2500	-3167	-1500	12300	462584
28/4/2023	-1261	-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	-2904	1750	-2904	-2250	12200	473691
17/3/2023	1117	-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

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
05/24/2023 22:30	DOE U.S. Crude Oil Inventories	May-19	--	5040k
05/24/2023 22:30	DOE Cushing OK Crude Inventory	May-19	--	1461k
05/24/2023 22:30	DOE U.S. Gasoline Inventories	May-19	--	-1381k
05/24/2023 22:30	DOE U.S. Distillate Inventory	May-19	--	80k
05/24/2023 22:30	DOE U.S. Refinery Utilization	May-19	--	1.00%
05/24/2023 22:30	DOE Crude Oil Implied Demand	May-19	--	18340
05/24/2023 22:30	DOE Gasoline Implied Demand	May-19	--	9838.4
05/24/2023 22:30	DOE Distillate Implied Demand	May-19	--	4972.6
05/25/2023 22:30	EIA Natural Gas Storage Change	May-19	--	99
05/25/2023 22:30	EIA Working Natural Gas Implied Flow	May-19	--	99
05/27/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	May-26	--	575
05/27/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	May-26	--	141
05/27/2023 01:00	Baker Hughes U.S. Rig Count	May-26	--	720

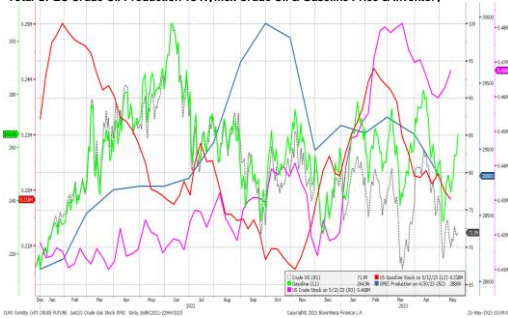
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



**Normalized RBOB Gasoline minus Nymex Crude Oil Price**



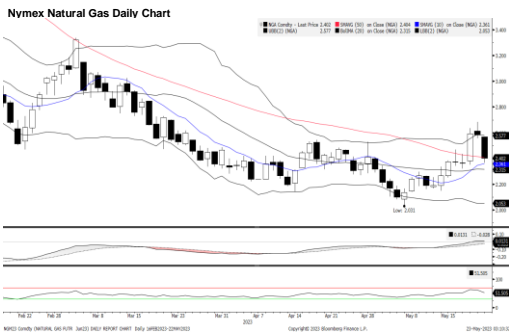
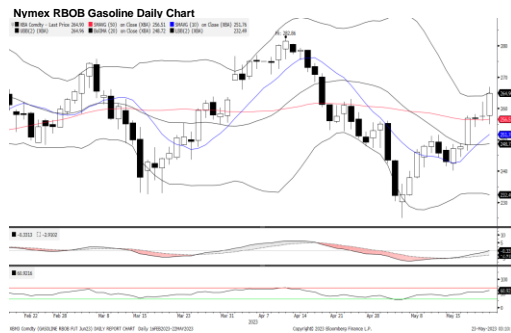
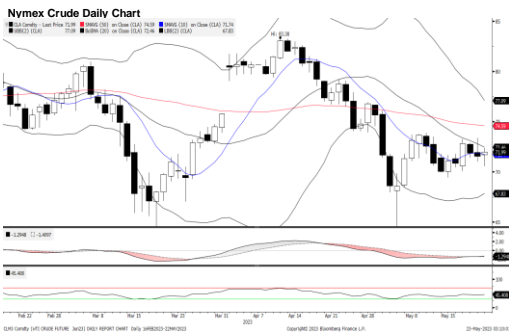
**Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory**



**WTI-Brent Spread**



Source: Bloomberg



**Technical Analysis**

<b>Crude Oil</b>	1st Resistance: 73.13	2nd Resistance: 74.21	<b>Natural Gas</b>	1st Resistance: 2.436	2nd Resistance: 2.472	<b>Gasoline</b>	1st Resistance: 268.86	2nd Resistance: 272.84
	1st Support: 70.97	2nd Support: 69.89		1st Support: 2.364	2nd Support: 2.328		1st Support: 260.92	2nd Support: 256.94
	MACD: -1.218			MACD: 0.013			MACD: -0.169	
	MACD DIFF: 0.136			MACD DIFF: 0.041			MACD DIFF: 2.710	
	RSI: 46.015			RSI: 51.405			RSI: 62.309	
<b>Heating Oil</b>	1st Resistance: 240.19	2nd Resistance: 243.74	<b>Brent Fin Last Day</b>	1st Resistance: 77.18	2nd Resistance: 78.32			
	1st Support: 233.09	2nd Support: 229.54		1st Support: 74.90	2nd Support: 73.76			
	MACD: -3.362			MACD: -1.282				
	MACD DIFF: 1.301			MACD DIFF: 0.162				
	RSI: 45.765			RSI: 45.685				

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	70.97	71.68	70.61	69.89	70.59	69.54	73.13	72.40	73.50	74.21	73.47	74.58
Natural Gas	2.364	2.388	2.352	2.328	2.351	2.316	2.436	2.412	2.448	2.472	2.447	2.484
Gasoline	260.92	263.53	259.61	256.94	259.51	255.66	268.86	266.17	270.21	272.84	270.11	274.20
Heating Oil	233.09	235.42	231.92	229.54	231.84	228.39	240.19	237.79	241.39	243.74	241.30	244.96
Brent Fin Last Day	74.90	75.65	74.52	73.76	74.50	73.39	77.18	76.41	77.57	78.32	77.54	78.71

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