

Fundamentals:
Oil prices ticked up on Friday as U.S. officials appeared close to striking a debt ceiling deal, and as the market weighed conflicting messages on supply from Russia and Saudi Arabia ahead of the next OPEC+ policy meeting.

Brent crude settled 69 cents, or 0.9%, higher at \$76.95 a barrel. U.S. West Texas Intermediate closed up 84 cents, or 1.2%, to \$72.67 a barrel.

On a weekly basis, both benchmarks posted a second week of gains with Brent climbing 1.7%, while WTI rose 1.6%.

Still, markets remained cautious as debt talks may drag on and there are fresh worries about a Federal Reserve interest rate hike next month that would curb demand after strong US consumer spending data and inflation readings.

While it is possible negotiators will reach a deal on Friday to raise the U.S. government's \$31.4 trillion debt ceiling, talks could easily spill over into the weekend, a Biden administration official said.

Benchmarks had settled more than \$2 per barrel lower on Thursday after Russian Deputy Prime Minister Alexander Novak played down the prospect of further OPEC+ production cuts at its meeting in Vienna on June 4.

Russia was leaning towards leaving oil production volumes unchanged because Moscow is content with current prices and output, three sources with knowledge of current Russian thinking told Reuters.

That contrasted with earlier hints of possible output cuts from Saudi Arabian Energy Minister Prince Abdulaziz bin Salman, de-facto leader of the Organization of Petroleum Exporting Countries (OPEC), who warned short sellers to "watch out".

Bets on falling oil prices have risen.

Meanwhile, U.S. demand for gasoline is expected to remain strong with motorist group AAA predicting the May 27-29 Memorial Day holiday weekend will be the third-busiest for auto travel since 2000.

On the supply side, U.S. oil rigs fell five to 570 this week, according to a report from energy services firm Baker Hughes Co. In May, the oil count fell by 21 rigs, which was the biggest monthly drop since June 2020.

However, slowing economic growth and sticky inflation in Europe has capped price gains, with the Dutch Central Bank chief Klaas Knot saying the European Central Bank needs at least two more 25-basis-point interest rate hikes.

U.S. natural gas futures fell about 6% to a three-week low on Friday as global gas prices collapsed, a U.S. contract expired and on record U.S. output, rising Canadian exports and forecasts for milder U.S. weather and lower demand next week including the U.S. Memorial Day holiday on Monday.

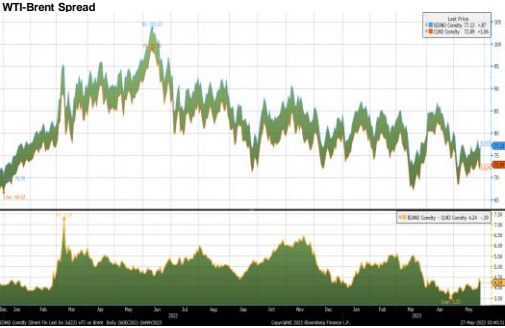
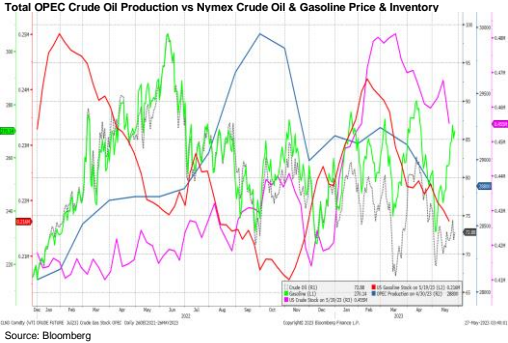
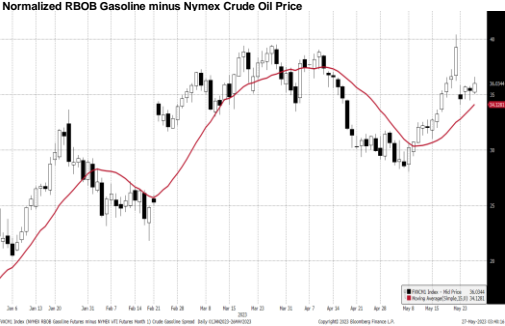
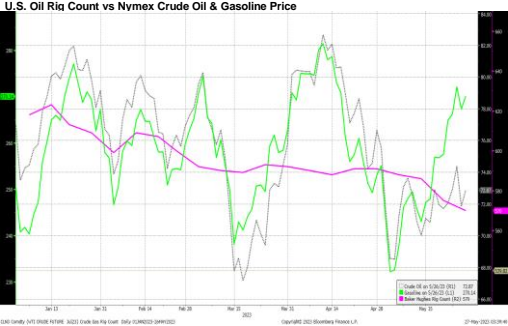
On its last day as the front month, gas futures for June delivery on the New York Mercantile Exchange fell 12.6 cents, or 5.5%, to settle at \$2.181 per million British thermal units (mmBtu), their lowest close since May 5.

(Source: Reuters)

Energy Table				
Contract	Sett	Chg	High	Low
Nymex Crude Oil	JUL 23 72.67	0.96	73.05	71.49
Natural Gas	JUL 23 2.417	-0.061	2.479	2.381
RB Gasoline	JUN 23 270.34	3.00	273.42	266.17
Heating Oil	JUN 23 236.93	2.97	239.13	233.12
Brent Fin Last Day	JUL 23 77.07	0.81	77.35	75.72
US Dollar Index		104.22	-0.035	104.419 103.848

Bloomberg Survey on U.S. Total Change in Inventories						
Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
19/5/2023	-12456	2000	-2053	-1600	12300	455168
12/5/2023	5040	-2000	-1381	-2000	12200	467624
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	-4119	-1700	-4119	-2000	12200	469952
24/3/2023	-7489	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

Fundamental Data:					
Event	Period	Avg Survey	Actual	Prior	
05/27/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	May-26	572	570	575	
05/27/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	May-26	--	137	141	
05/27/2023 01:00 Baker Hughes U.S. Rig Count	May-26	--	711	720	
06/01/2023 22:30 EIA Natural Gas Storage Change	May-26	--	--	96	
06/01/2023 22:30 EIA Working Natural Gas Implied Flow	May-26	--	--	9600.00%	
06/01/2023 23:00 DOE U.S. Crude Oil Inventories	May-26	--	--	-12456K	
06/01/2023 23:00 DOE Cushing OK Crude Inventory	May-26	--	--	1762K	
06/01/2023 23:00 DOE U.S. Gasoline Inventories	May-26	--	--	-2053K	
06/01/2023 23:00 DOE U.S. Distillate Inventory	May-26	--	--	-561K	
06/01/2023 23:00 DOE U.S. Refinery Utilization	May-26	--	--	-0.003	
06/01/2023 23:00 DOE Crude Oil Implied Demand	May-26	--	--	19929	
06/01/2023 23:00 DOE Gasoline Implied Demand	May-26	--	--	10147.1	
06/01/2023 23:00 DOE Distillate Implied Demand	May-26	--	--	5111.1	

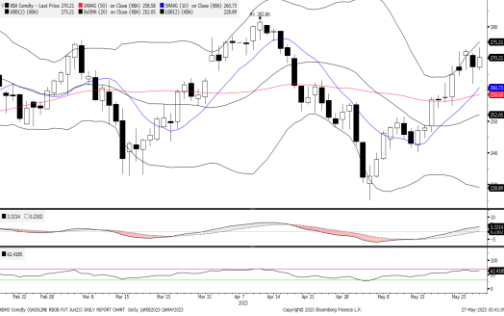


Source: Bloomberg

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:	73.76	2nd Resistance:	74.85	1st Resistance:	2.453	2nd Resistance:	2.490	1st Resistance:	274.40	2nd Resistance:	278.45
1st Support:	71.58	2nd Support:	70.49	1st Support:	2.381	2nd Support:	2.344	1st Support:	266.28	2nd Support:	262.23
MACD:	-0.727			MACD:	-0.018			MACD:	3.331		
MACD DIFF:	0.318			MACD DIFF:	0.007			MACD DIFF:	3.101		
RSI:	48.540			RSI:	44.049			RSI:	62.514		
Heating Oil			Brent Fin Last Day								
1st Resistance:	240.48	2nd Resistance:	244.04	1st Resistance:	78.23	2nd Resistance:	79.38				
1st Support:	233.38	2nd Support:	229.82	1st Support:	75.91	2nd Support:	74.76				
MACD:	-2.506			MACD:	-0.703						
MACD DIFF:	1.019			MACD DIFF:	0.374						
RSI:	47.338			RSI:	49.201						

Strategy

Crude Oil	Long:	Profit target:	Stop-loss:	Natural Gas	Long:	Profit target:	Stop-loss:	Gasoline	Short:	Profit target:	Stop-loss:
Natural Gas	71.58	72.30	71.22	70.49	71.19	70.14	73.76	73.02	74.13	74.85	75.22
Gasoline	266.28	268.95	264.95	262.23	264.85	260.92	2453	2429	2466	2490	2465
Heating Oil	233.38	235.71	232.21	229.82	232.12	228.67	274.40	271.65	275.77	278.45	275.67
Brent Fin Last Day	75.91	76.67	75.53	74.76	75.51	74.38	240.48	238.08	241.69	244.04	241.60
							78.23	77.44	78.62	79.38	78.59

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