

**Fundamentals:**

Oil prices rose over 2% on Monday as U.S. recession fears eased and some traders saw crude's three-week slide on demand worries as overdone.

Brent crude settled up \$1.71, or 2.3%, at \$77.01. U.S. West Texas Intermediate (WTI) crude also gained \$1.82, or 2.6%, to \$73.16.

A healthy U.S. jobs report for April helped oil to climb by about 4% on Friday even though labour market strength could compel the Federal Reserve to keep interest rates higher for longer.

Brent had finished last week with a decline of about 5.3% while U.S. crude plunged by 7.1% even after Friday's rebound. Both benchmarks were down for three weeks in a row for the first time since November.

Banking concerns have plagued the market recently after the collapse of three major U.S. regional banks in recent months. Still, the KBW Regional Banking index posted its best single-day performance in seven weeks on Friday, before falling on Monday.

Also supporting oil prices, Alberta declared a state of emergency over the weekend in response to wildfires that have displaced nearly 30,000 people and prompted energy producers to shut in at least 185,000 barrels of oil equivalent per day (boepd), about 2% of Canada's output.

Goldman Sachs analysts on Saturday said that concerns over near-term demand and elevated supplies were "overblown."

A round of voluntary output cuts by some members of the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, begin this month and the group holds its next meeting on June 4.

Before then, U.S. consumer price inflation figures for April will be in focus on Wednesday, potentially influencing the Fed's stance on future interest rate decisions.

OPEC's latest monthly oil market report is due on Thursday, providing an updated reading on the demand and supply outlook.

U.S. natural gas futures gained about 5% to a one-week high on Monday on small declines in U.S. daily output and a drop in gas exports from Canada as wildfires shut in some oil and associated gas production.

Prices climbed despite forecasts for milder weather and less U.S. demand over the next two weeks than previously expected.

Front-month gas futures for June delivery on the New York Mercantile Exchange rose 10.1 cents, or 4.7%, to settle at \$2.238 per million British thermal units (mmBtu), their highest close since May 1.

With gas prices down about 11% last week, speculators boosted their net short futures and options positions on the New York Mercantile and Intercontinental Exchanges for a second week in a row to their highest since early April, according to the U.S. Commodity Futures Trading Commission's Commitments of Traders report.

Analysts said that increase in shorts could lead to a short-squeeze that would boost prices in the near future.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil JUN 23	73.16	1.43	73.69	71.04
Natural Gas JUN 23	2.238	0.106	2.248	2.140
RB Gasoline JUN 23	246.16	6.69	246.98	237.70
Heating Oil JUN 23	237.77	4.82	238.45	231.47
Brent, Fin Last Day, JUL 23	76.61	1.31	77.42	74.96
US Dollar Index	101.39	0.180	101.417	101.041

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
28/4/2023	-1281	-500	1742	-1500	12300	459633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914
14/4/2023	-4561	-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	1117	-1800	-6399	-2364	12300	481180
10/3/2023	-2061	1500	-2061	-1617	12200	480063
3/3/2023	-1694	1600	-1134	-2000	12200	478513
24/2/2023	1166	1900	-874	-1000	12300	482027
17/2/2023	7647	2800	-1856	900	12300	479041
10/2/2023	16283	2000	2316	1500	12300	471394

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
05/10/2023 00:00	STEO Fwd Yr Dry Nat Gas Forecast	May	--	101.58
05/10/2023 00:00	STEO Curr Yr Dry Nat Gas Forecast	May	--	100.87
05/10/2023 00:00	STEO Fwd Yr Crude Forecast	May	--	12.75
05/10/2023 00:00	STEO Current Yr Crude Forecast	May	--	12.54
05/10/2023 22:30	DOE U.S. Crude Oil Inventories	May-05	--	-1281K
05/10/2023 22:30	DOE Cushing OK Crude Inventory	May-05	--	541k
05/10/2023 22:30	DOE U.S. Gasoline Inventories	May-05	--	1742k
05/10/2023 22:30	DOE U.S. Distillate Inventory	May-05	--	-1190k
05/10/2023 22:30	DOE U.S. Refinery Utilization	May-05	--	-0.60%
05/10/2023 22:30	DOE Crude Oil Implied Demand	May-05	--	18879
05/10/2023 22:30	DOE Gasoline Implied Demand	May-05	--	9459.6
05/10/2023 22:30	DOE Distillate Implied Demand	May-05	--	4890
05/11/2023 22:30	EIA Natural Gas Storage Change	May-05	--	54
05/11/2023 22:30	EIA Working Natural Gas Implied Flow	May-05	--	54
05/13/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	May-12	--	588
05/13/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	May-12	--	157
05/13/2023 01:00	Baker Hughes U.S. Rig Count	May-12	--	748

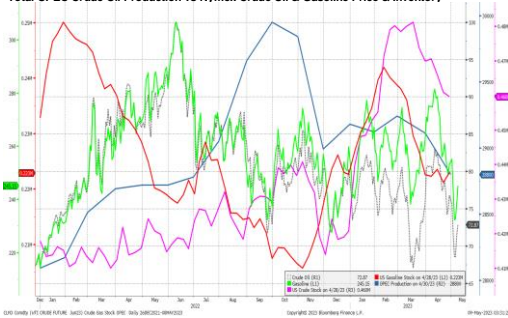
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



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



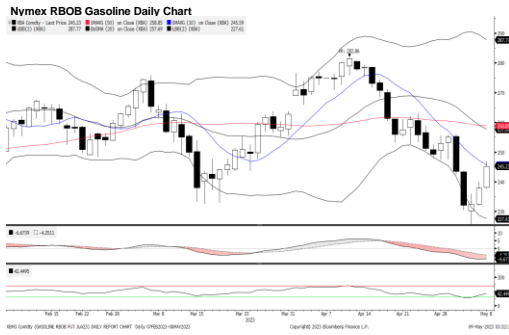
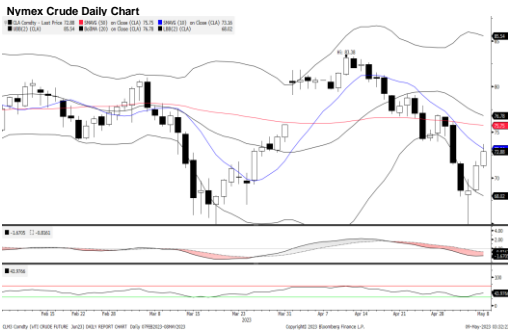
**Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory**



**WTI-Brent Spread**



Source: Bloomberg



**Technical Analysis**

<b>Crude Oil</b>	1st Resistance: 74.26	2nd Resistance: 75.35	<b>Natural Gas</b>	1st Resistance: 2.272	2nd Resistance: 2.305	<b>Gasoline</b>	1st Resistance: 249.85	2nd Resistance: 253.54
	1st Support: 72.06	2nd Support: 70.97		1st Support: 2.204	2nd Support: 2.171		1st Support: 242.47	2nd Support: 238.78
	MACD: -1.680			MACD: -0.088			MACD: -6.726	
	MACD DIFF: -0.861			MACD DIFF: -0.008			MACD DIFF: -2.463	
	RSI: 43.694			RSI: 44.262			RSI: 41.877	
<b>Heating Oil</b>	1st Resistance: 241.34	2nd Resistance: 244.90	<b>Brent Fin Last Day</b>	1st Resistance: 77.76	2nd Resistance: 78.91			
	1st Support: 234.20	2nd Support: 230.64		1st Support: 75.46	2nd Support: 74.31			
	MACD: -7.935			MACD: -1.794				
	MACD DIFF: -1.197			MACD DIFF: -0.772				
	RSI: 41.604			RSI: 43.612				

**Strategy**

<b>Crude Oil</b>	Long: 72.06	Profit target: 72.78	Stop-loss: 71.70	Long: 70.97	Profit target: 71.67	Stop-loss: 70.61	Short: 74.26	Profit target: 73.51	Stop-loss: 74.63	Short: 75.35	Profit target: 74.60	Stop-loss: 75.73
<b>Natural Gas</b>	2.204	2.226	2.193	2.171	2.193	2.160	2.272	2.249	2.283	2.305	2.282	2.317
<b>Gasoline</b>	242.47	244.89	241.26	238.78	241.16	237.58	249.85	247.35	251.10	253.54	251.01	254.81
<b>Heating Oil</b>	234.20	236.55	233.03	230.64	232.94	229.48	241.34	238.92	242.54	244.90	242.45	246.13
<b>Brent Fin Last Day</b>	75.46	76.22	75.08	74.31	75.05	73.94	77.76	76.98	78.15	78.91	78.12	79.30

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