

Fundamentals:
Oil prices settled lower on Wednesday, pressured by a stronger U.S. dollar and weak data from top oil importer China that fed demand fears.

Brent crude futures for August delivery settled down \$1.11 to \$72.60 a barrel. U.S. West Texas Intermediate crude (WTI) settled down \$1.37, or 2%, to \$68.09.

At their session lows, both benchmarks were down more than \$2 to multi-week lows. On Tuesday, both fell more than 4%.

Oil prices tumbled after Chinese data showed manufacturing activity contracted faster than expected in May, as weakening demand cut the official manufacturing purchasing managers' index (PMI) down to 48.8 from 49.2 in April, lagging a forecast of 49.4.

The dollar index, which measures the U.S. unit against six major peers, saw support from cooling European inflation and progress on a bipartisan U.S. debt ceiling bill, which will advance to the House of Representatives for debate.

House passage would send the bill to the Senate, where debate could stretch to the weekend, as a June 5 deadline loomed.

A stronger dollar makes oil more expensive for buyers holding other currencies.

U.S. data showed job openings unexpectedly rose in April, pointing to persistent strength in the labor market that could push the Federal Reserve to raise interest rates in June.

"We have weaker-than-expected Chinese data, the debt limit situation, two years of flat spending, and likely another rate hike next month weighing on markets," said Bob Yawger, director of energy futures at Mizuho.

Traders will watch the upcoming June 4 meeting of OPEC+ - the Organization of the Petroleum Exporting Countries and allies including Russia. Mixed signals by major producers on further production cuts have sparked volatility in oil prices, yet banks HSBC and Goldman Sachs and analysts do not expect OPEC+ to announce further cuts at this meeting.

HSBC said stronger oil demand from China and the West from the summer onwards will trigger a supply deficit in the second half.

"The most likely action is inaction," said PVM oil market analyst Stephen Brennock, regarding the OPEC+ decision.

In the U.S., field production of crude oil rose in March to 12.696 million barrels per day, the highest since March 2020, when the coronavirus pandemic began to decimate global energy demand, Energy Information Administration data showed.

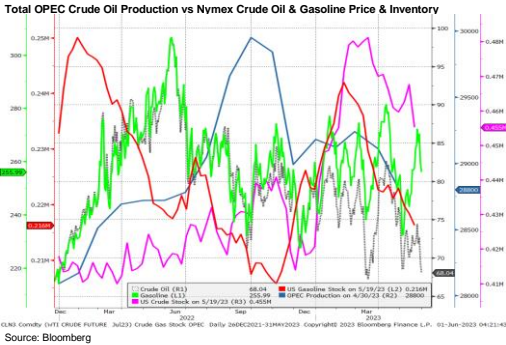
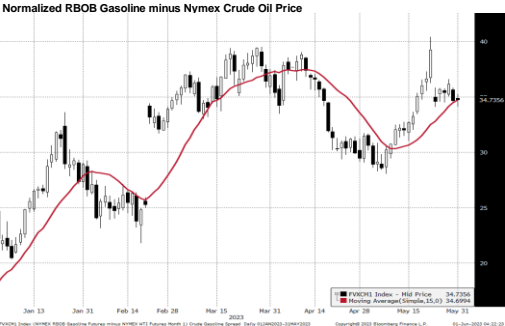
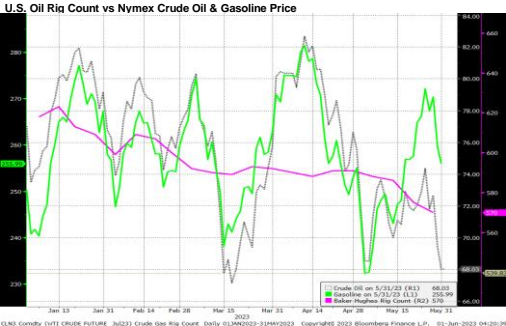
U.S. crude oil and gasoline stockpiles were seen falling last week, while distillate inventories likely increased, a preliminary Reuters poll showed on Tuesday.

(Source: Reuters)

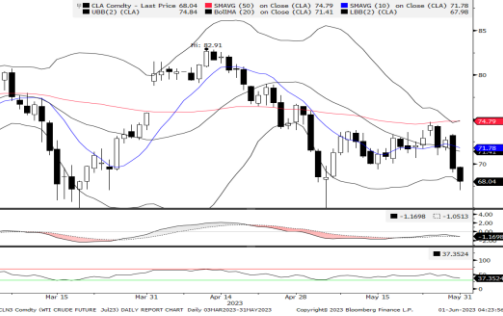
Energy Table					
Contract		Sett	Chg	High	Low
Nymex Crude Oil	JUL 23	68.09	-1.44	69.69	67.03
Natural Gas	JUL 23	2.266	-0.066	2.410	2.247
RB Gasoline	JUN 23	255.89	-3.60	260.57	253.14
Heating Oil	JUN 23	225.96	-2.12	228.79	223.67
Brent Fin Last Day	AUG 23	72.50	-1.21	73.98	71.48
US Dollar Index		104.23	0.063	104.699	104.013

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

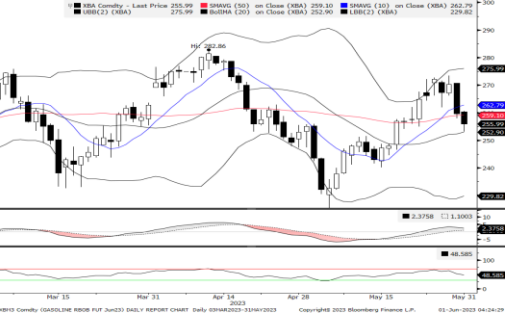
Fundamental Data:					
Event	Period	Avg Survey	Actual	Prior	
05/24/2023 22:30 DOE U.S. Crude Oil Inventories	May-19	2000k	-12456k	5040k	
05/24/2023 22:30 DOE Cushing OK Crude Inventory	May-19	--	1762k	1461k	
05/24/2023 22:30 DOE U.S. Gasoline Inventories	May-19	-1600k	-2053k	-1381k	
05/24/2023 22:30 DOE U.S. Distillate Inventory	May-19	500k	-561k	80k	
05/24/2023 22:30 DOE U.S. Refinery Utilization	May-19	0.006	-0.003	1.00%	
05/24/2023 22:30 DOE Crude Oil Implied Demand	May-19	--	19929	18340	
05/24/2023 22:30 DOE Gasoline Implied Demand	May-19	--	10147.1	9838.4	
05/24/2023 22:30 DOE Distillate Implied Demand	May-19	--	5111.1	4972.6	
05/25/2023 22:30 EIA Natural Gas Storage Change	May-19	100	--	99	
05/25/2023 22:30 EIA Working Natural Gas Implied Flow	May-19	100	--	99	
05/27/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	May-26	572	--	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	



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:	69.11	2nd Resistance:	70.13	1st Resistance:	2.300	2nd Resistance:	2.334	1st Resistance:	259.83	2nd Resistance:	263.67
1st Support:	67.07	2nd Support:	66.05	1st Support:	2.232	2nd Support:	2.198	1st Support:	252.15	2nd Support:	248.31
MACD:	-1.172			MACD:	-0.046			MACD:	2.374		
MACD DIFF:	-0.120			MACD DIFF:	-0.016			MACD DIFF:	1.276		
RSI:	37.311			RSI:	37.799			RSI:	48.580		
<hr/>											
Heating Oil				Brent Fin Last Day							
1st Resistance:	229.35	2nd Resistance:	232.74	1st Resistance:	73.59	2nd Resistance:	74.68				
1st Support:	222.57	2nd Support:	219.18	1st Support:	71.41	2nd Support:	70.33				
MACD:	-3.662			MACD:	-1.024						
MACD DIFF:	-0.171			MACD DIFF:	-0.045						
RSI:	37.736			RSI:	38.505						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil												
Natural Gas	2.232	2.254	2.221	2.198	2.220	2.187	2.300	2.277	2.311	2.334	2.311	2.346
Gasoline	252.15	254.67	250.89	248.31	250.79	247.07	258.83	257.23	261.13	263.67	261.03	264.99
Heating Oil	222.57	224.80	221.46	219.18	221.37	218.09	229.35	227.06	230.50	232.74	230.41	233.90
Brent Fin Last Day	71.41	72.13	71.06	70.33	71.03	69.97	73.59	72.85	73.96	74.68	73.93	75.05

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