

**Fundamentals:**

Oil prices settled lower on Friday, posting a weekly decline as traders worried interest rate hikes could sap demand despite signs of tighter supplies including lower U.S. crude stocks.

In a second straight day of losses, Brent crude settled down 29 cents, or 0.4%, to \$73.85 a barrel. U.S. West Texas Intermediate (WTI) crude settled down 35 cents, or 0.5%, at \$69.16.

On Thursday, Brent dropped about \$3 a barrel after the Bank of England raised interest rates by a bigger-than-expected half a percentage point. Central banks in Norway and Switzerland also hiked rates.

The benchmarks declined more than 3.5% for the week.

More U.S. interest rate hikes also seemed likelier. San Francisco Federal Reserve Bank President Mary Daly said two more rate hikes this year was a "very reasonable" projection.

Higher interest rates increase borrowing costs for businesses and consumers, which could slow economic growth and reduce oil demand.

Risk-aversion among investors also boosted the value of the U.S. dollar, which pressures oil prices by making the commodity more expensive for other currency holders.

U.S. business activity also fell to a three-month low in June as services growth eased for the first time this year and the contraction in the manufacturing sector deepened, survey data showed.

Wall Street's main indexes fell, while gold prices were on track for their biggest weekly decline since early February.

China's promising economic recovery has faltered with several months in a row of softer-than-expected consumption, production and property market data.

The recession and demand concerns outweighed signs of supply-side tightness.

U.S. energy firms this week cut the number of oil rigs operating for an eighth week in a row, energy services firm Baker Hughes Co said. U.S. oil rig count, an indicator of future output, fell to 546 this week, the lowest since April 2022.

This week's U.S. inventory report showed crude stocks posted a surprise decline of 3.8 million barrels.

Also set to tighten the market is Saudi Arabia's production cut of 1 million barrels per day in July announced along with an OPEC+ deal to limit supplies into 2024.

U.S. natural gas futures jumped about 5% to a 16-week high on Friday on a drop in U.S. output in recent weeks and forecasts for the weather to remain hot through early July, especially in Texas.

Front-month gas futures for July delivery on the New York Mercantile Exchange rose 12.1 cents, or 4.6%, to settle at \$2.729 per million British thermal units (mmBtu), their highest close since March 3.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil AUG 23	69.16	-0.09	69.65	67.35
Natural Gas JUL 23	2.729	0.119	2.740	2.520
RB Gasoline JUL 23	251.72	-1.68	255.73	247.65
Heating Oil JUL 23	240.71	-5.13	247.05	238.16
Brent Fin Last Day AUG 23	74.14	0.00	74.24	72.10
US Dollar Index	102.88	0.494	103.166	102.376

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
16/6/2023	-3831	450	479	800	12200	463293
9/6/2023	7919	-1536	2108	1000	12400	467124
2/6/2023	-452	1500	2745	1000	12400	459205
26/5/2023	4489	-1500	-207	-1100	12200	458657
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	1742	-500	1742	-1500	12300	459633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914
14/4/2023	-4581	-250	1299	-1250	12300	465988
7/4/2023	597	-1050	-330	-1900	12300	470549
31/3/2023	-3739	-1700	-4119	-2000	12200	469952

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
06/24/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jun-23	546	546	552
06/24/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jun-23	--	130	130
06/24/2023 01:00 Baker Hughes U.S. Rig Count	Jun-23	--	682	687
06/28/2023 22:30 DOE U.S. Crude Oil Inventories	Jun-23	--	--	-3831k
06/28/2023 22:30 DOE Cushing OK Crude Inventory	Jun-23	--	--	-98k
06/28/2023 22:30 DOE U.S. Gasoline Inventories	Jun-23	--	--	479k
06/28/2023 22:30 DOE U.S. Distillate Inventory	Jun-23	--	--	434k
06/28/2023 22:30 DOE U.S. Refinery Utilization	Jun-23	--	--	-0.60%
06/28/2023 22:30 DOE Crude Oil Implied Demand	Jun-23	--	--	18908
06/28/2023 22:30 DOE Gasoline Implied Demand	Jun-23	--	--	10233.4
06/28/2023 22:30 DOE Distillate Implied Demand	Jun-23	--	--	5159
06/29/2023 22:30 EIA Natural Gas Storage Change	Jun-23	--	--	95
06/29/2023 22:30 EIA Working Natural Gas Implied Flow	Jun-23	--	--	95
07/01/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jun-30	--	--	546
07/01/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jun-30	--	--	130
07/01/2023 01:00 Baker Hughes U.S. Rig Count	Jun-30	--	--	682

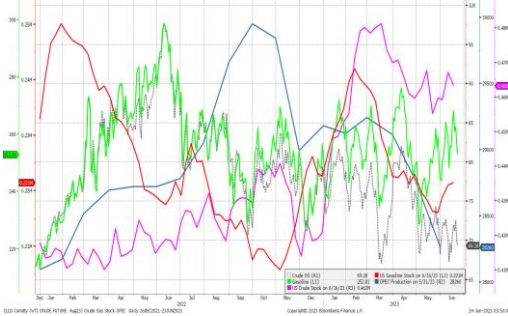
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



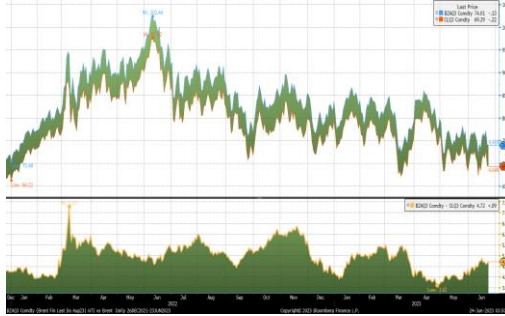
**Normalized RBOB Gasoline minus Nymex Crude Oil Price**



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



**WTI-Brent Spread**

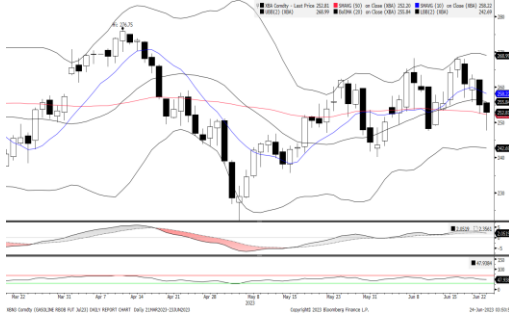


Source: Bloomberg

**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:	70.20	1st Resistance:	2.770	1st Resistance:	255.50
2nd Resistance:	71.23	2nd Resistance:	2.811	2nd Resistance:	259.27
1st Support:	68.12	1st Support:	2.688	1st Support:	247.94
2nd Support:	67.09	2nd Support:	2.647	2nd Support:	244.17
MACD:	-0.580	MACD:	0.043	MACD:	2.093
MACD DIFF:	0.075	MACD DIFF:	0.050	MACD DIFF:	-0.271
RSI:	45.223	RSI:	63.220	RSI:	48.315

Heating Oil		Brent Fin Last Day	
1st Resistance:	244.32	1st Resistance:	75.25
2nd Resistance:	247.93	2nd Resistance:	76.36
1st Support:	237.10	1st Support:	73.03
2nd Support:	233.49	2nd Support:	71.92
MACD:	2.576	MACD:	-0.419
MACD DIFF:	1.282	MACD DIFF:	0.084
RSI:	50.177	RSI:	45.914

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	68.12	68.80	67.78	67.09	67.76	66.75	70.20	69.50	70.55	71.23	70.52	71.59
Natural Gas	2.688	2.715	2.675	2.647	2.674	2.634	2.770	2.742	2.784	2.811	2.783	2.825
Gasoline	247.94	250.42	246.70	244.17	246.61	242.95	255.50	252.94	256.77	259.27	256.68	260.57
Heating Oil	237.10	239.47	235.91	233.49	235.82	232.32	244.32	241.88	245.54	247.93	245.45	249.17
Brent Fin Last Day	73.03	73.76	72.66	71.92	72.63	71.56	75.25	74.50	75.63	76.36	75.60	76.75

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.