

Fundamentals:

Oil prices eased 1% on Monday on the increasing likelihood of more U.S. interest rate hikes, but crude supply cuts from top oil exporters Saudi Arabia and Russia limited the losses.

Brent crude futures settled down 78 cents, or 1%, at \$77.69 a barrel after touching their highest level in more than two months earlier in the session.

U.S. West Texas Intermediate crude fell 87 cents, or 1.2%, at \$72.99.

"Traders are very nervous about higher interest rates, which could kill demand very quickly," said Dennis Kissler, senior vice president of trading at BOK Financial, adding that some investors were also engaging in profit-taking after last week's gains.

Both benchmarks rose more than 4.5% last week after Saudi Arabia and Russia announced fresh output cuts bringing total reductions by the OPEC+ group to around 5 million barrels per day (bpd), or about 5% of global oil demand.

San Francisco Federal Reserve President Mary Daly on Monday repeated that she believes two more rate hikes this year will likely be needed to bring down inflation that is still too high, while Cleveland Fed President Loretta Mester also signaled more rate rises.

Higher interest rates could slow economic growth and reduce oil demand.

The U.S. Labor Department reported last Friday the smallest monthly job gain in 2-1/2 years along with strong wage growth. The data strengthened the likelihood that the Fed would raise interest rates at its meeting later this month.

Meanwhile, China's factory gate fell at the fastest pace in more than seven years in June, according to government data, indicating a slowdown in the recovery in the world's second-largest economy.

However, oil demand from China and developing countries, combined with OPEC+ supply cuts, is likely to keep the market tight in the second half of the year despite a sluggish global economy, the head of the International Energy Agency (IEA) said.

Markets are also focusing on the release of U.S. Consumer Price Index data, a key inflation report, and a slew of economic reports from China later this week to ascertain demand.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil AUG 23	72.99	-0.69	74.15	72.67
Natural Gas AUG 23	2.669	0.088	2.692	2.570
RB Gasoline AUG 23	256.96	-1.26	260.54	255.23
Heating Oil AUG 23	255.32	-0.19	258.30	252.91
Brent, Fin Last Day SEP 23	77.84	-0.63	78.78	77.34
US Dollar Index	101.97	-0.304	102.564	101.951

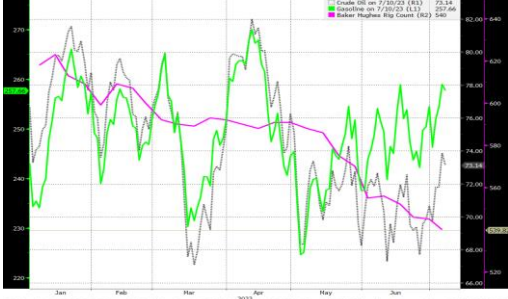
Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
30/6/2023	-1508	-2000	-2549	0	12400	452182
23/6/2023	-9603	-1500	603	1000	12200	453690
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	459657
19/5/2023	-12456	2000	-2053	-1600	12300	455168
12/5/2023	-1381	-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	465988

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
07/07/2023 22:30	EIA Natural Gas Storage Change	Jun-30	65	76
07/07/2023 22:30	EIA Working Natural Gas Implied Flow	Jun-30	65	76
07/08/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jul-07	--	540
07/08/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jul-07	--	135
07/08/2023 01:00	Baker Hughes U.S. Rig Count	Jul-07	--	680
07/12/2023 00:00	STEO Curr Yr Dry Nat Gas Forecast	Jul	--	103.04
07/12/2023 00:00	STEO Fwd Yr Dry Nat Gas Forecast	Jul	--	102.74
07/12/2023 00:00	STEO Curr Yr Crude Forecast	Jul	--	12.77
07/12/2023 00:00	STEO Current Yr Crude Forecast	Jul	--	12.61
07/12/2023 22:30	DOE U.S. Crude Oil Inventories	Jul-07	--	-1508K
07/12/2023 22:30	DOE Cushing OK Crude Inventory	Jul-07	--	-400K
07/12/2023 22:30	DOE U.S. Gasoline Inventories	Jul-07	--	-2549K
07/12/2023 22:30	DOE U.S. Distillate Inventory	Jul-07	--	-1045K
07/12/2023 22:30	DOE U.S. Refinery Utilization	Jul-07	--	-1.10%
07/12/2023 22:30	DOE Crude Oil Implied Demand	Jul-07	--	19653
07/12/2023 22:30	DOE Gasoline Implied Demand	Jul-07	--	10462.7
07/12/2023 22:30	DOE Distillate Implied Demand	Jul-07	--	5112.3

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



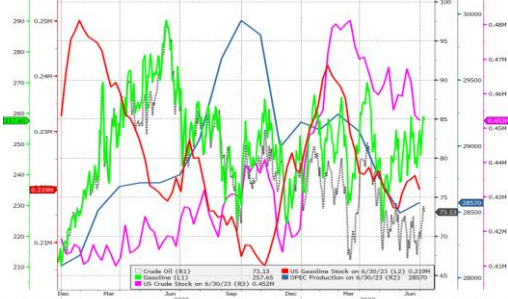
CLQJ Comdty (WTI CRUDE FUTURE Aug23) Crude Gas Rig Count Daily 03/10/2022-10/06/2023 Copyright 2023 Bloomberg Finance L.P. 11-Jul-2023 09:18:52

Normalized RBOB Gasoline minus Nymex Crude Oil Price



PVIV Comdty (RBOB Gasoline Futures minus Nymex WTI Crude Future) Daily 03/10/2022-10/06/2023 Copyright 2023 Bloomberg Finance L.P. 11-Jul-2023 09:18:48

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



CLQJ Comdty (WTI CRUDE FUTURE Aug23) Crude Gas Stock OPEC Daily 2006/2021-10/06/2023 Copyright 2023 Bloomberg Finance L.P. 11-Jul-2023 09:18:36

Source: Bloomberg

WTI-Brent Spread



CLQJ Comdty (Brent Fin Last Day Sep23) WTI-Brent Spread Daily 2006/2021-10/06/2023 Copyright 2023 Bloomberg Finance L.P. 11-Jul-2023 09:18:21

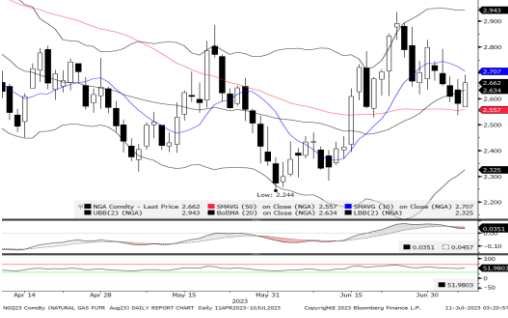
Nymex Crude Daily Chart



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:	74.08	1st Resistance:	2.709	1st Resistance:	260.81
1st Support:	71.90	1st Support:	2.629	1st Support:	253.11
MACD:	0.221	MACD:	0.035	MACD:	2.360
MACD DIFF:	0.511	MACD DIFF:	-0.011	MACD DIFF:	0.896
RSI:	56.366	RSI:	51.927	RSI:	57.209
Heating Oil		Brent Fin Last Day			
1st Resistance:	259.15	1st Resistance:	79.01	2nd Resistance:	80.18
1st Support:	251.49	1st Support:	76.67	2nd Support:	75.50
MACD:	3.394	MACD:	0.373		
MACD DIFF:	1.595	MACD DIFF:	0.468		
RSI:	60.698	RSI:	56.951		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	71.90	72.61	71.54	70.80	71.51	70.45	74.08	73.34	74.46	75.18	74.43	75.56
Natural Gas	2.629	2.655	2.616	2.589	2.615	2.576	2.709	2.682	2.723	2.682	2.722	2.763
Gasoline	253.11	255.64	251.84	249.25	251.74	248.00	260.81	258.21	262.12	264.67	262.02	265.99
Heating Oil	251.49	254.01	250.23	247.66	250.14	246.42	259.15	256.56	260.45	262.98	260.35	264.29
Brent Fin Last Day	76.67	77.44	76.29	75.50	76.26	75.13	79.01	78.22	79.40	80.18	79.37	80.58

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.