

**Fundamentals:**

Oil prices settled higher on Wednesday, with benchmark Brent futures breaching \$80 a barrel for the first time since May, after U.S. inflation data spurred hopes the Federal Reserve may have fewer interest rate hikes in store for the world's biggest economy.

U.S. data showed consumer prices rose modestly in June and registered their smallest annual increase in more than two years. Markets expect one more interest rate rise, but oil traders hope that may be it. Higher rates can slow economic growth and reduce oil demand.

"This is the lowest number since the pandemic ... but it is important to keep in mind that this is still a transitory situation. But overall, traders are cheering this event," said Naeem Aslam, chief investment officer at Zaye Capital Markets, describing the inflation figures.

Brent futures settled up 71 cents, or 0.9%, to \$80.11 a barrel. U.S. West Texas Intermediate (WTI) crude settled up 92 cents, or 1.2%, to \$75.75 a barrel.

Forecasts from the U.S. Energy Information Administration (EIA) and the International Energy Agency (IEA) point to the market tightening into 2024.

The IEA expects the oil market to stay tight in the second half of 2023, citing strong demand from China and developing countries combined with supply cuts from leading producers. New forecasts from the IEA are expected this week.

"The oil balance gets tighter either when supply is downgraded, or demand is revised up. If both happens at the same time the change can be seismic," said PVM analyst Tamas Varga referring to the EIA's outlook.

"Clearly, it is not worried about inflation-induced recession that could potentially dent global oil consumption."

Top producer Saudi Arabia pledged last week to extend a production cut of 1 million bpd in August, while Russia will cut exports by 500,000 bpd.

Pressuring prices was a U.S. Energy Information Administration report of a much bigger-than-expected U.S. crude stock build of nearly 6 million barrels last week.

Gasoline inventories remained largely unchanged at 219.5 million barrels during the Fourth of July holiday week, a situation that is "almost unheard of," said Phil Flynn, an analyst at Price Futures group. Analysts had expected a big draw of gasoline stocks as drivers took to the roads for holiday travel.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil AUG 23	75.75	1.13	76.15	74.67
Natural Gas AUG 23	2.632	-0.084	2.750	2.618
RB Gasoline AUG 23	266.70	5.53	267.88	261.73
Heating Oil AUG 23	259.96	2.55	262.50	257.14
Brent, Fin Last Day SEP 23	80.33	0.93	80.57	79.22
US Dollar Index	100.54	-1.197	101.609	100.511

**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

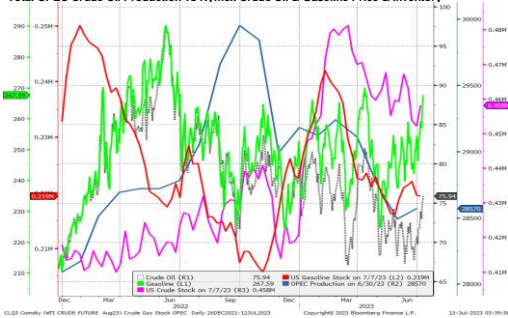
**Fundamental Data:**

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 Fwd Yr Dry Nat Gas Forecast	Jul	--	103.04
07/12/2023 00:00	STEO Curr Yr Dry Nat Gas Forecast	Jul	--	102.74
07/12/2023 00:00	STEO Fwd 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**



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



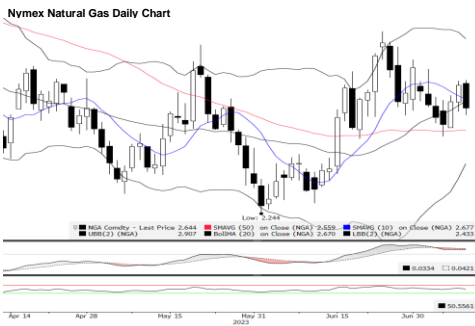
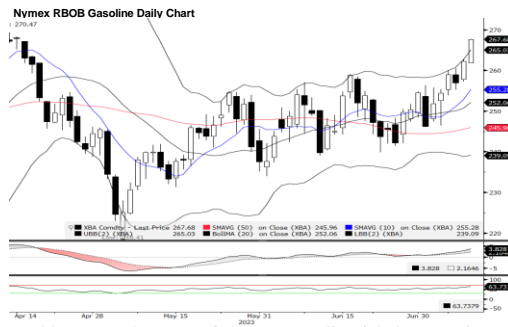
Source: Bloomberg

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



**WTI-Brent Spread**





**Technical Analysis**

Crude Oil	Natural Gas	Gasoline
1st Resistance: 76.89	1st Resistance: 2.671	1st Resistance: 270.70
2nd Resistance: 78.02	2nd Resistance: 2.711	2nd Resistance: 274.70
1st Support: 74.61	1st Support: 2.593	1st Support: 262.70
2nd Support: 73.48	2nd Support: 2.553	2nd Support: 258.70
MACD: 0.766	MACD: 0.033	MACD: 3.843
MACD DIFF: 0.725	MACD DIFF: -0.009	MACD DIFF: 1.676
RSI: 62.824	RSI: 50.698	RSI: 63.847

Heating Oil	Brent Fin Last Day
1st Resistance: 263.86	1st Resistance: 81.53
2nd Resistance: 267.76	2nd Resistance: 82.74
1st Support: 256.06	1st Support: 79.13
2nd Support: 252.16	2nd Support: 77.92
MACD: 4.783	MACD: 0.862
MACD DIFF: 2.029	MACD DIFF: 0.654
RSI: 63.753	RSI: 62.796

**Strategy**

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	74.61	75.36	74.24	73.48	74.21	73.11	76.89	76.12	77.27	78.02	77.24	78.41
Natural Gas	2.593	2.618	2.580	2.553	2.579	2.540	2.671	2.645	2.685	2.711	2.684	2.725
Gasoline	262.70	265.33	261.39	258.70	261.29	257.41	270.70	267.99	272.05	274.70	271.95	276.07
Heating Oil	256.06	258.62	254.78	252.16	254.68	250.90	263.86	261.22	265.18	267.76	265.08	269.10
Brent Fin Last Day	79.13	79.92	78.73	77.92	78.70	77.53	81.53	80.72	81.94	82.74	81.91	83.15

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