

Fundamentals:

Oil prices edged lower on Wednesday, as investors took profits following earlier gains on tighter U.S. crude supplies and China's pledge to reinvigorate its economic growth.

Brent futures dipped 17 cents at \$79.46 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 40 cents at \$75.35 a barrel.

Strength in the U.S. dollar index also weighed on prices. A stronger greenback makes crude more expensive for investors holding other currencies.

Limiting losses, U.S. crude inventories fell by 708,000 barrels in the last week to 457.4 million barrels, compared with analysts' expectations in a Reuters poll for a drop of 2.4 million barrels, Energy Information Administration data showed on Wednesday.

The data showed inventories in the Strategic Petroleum Reserve climbed for the first time since January 2021, as the U.S. tries to refill the reserve following last year's record drawdown.

In a measure that could boost oil demand, China's top economic planner pledged on Tuesday to roll out policies to "restore and expand" consumption in the world's second-largest economy.

U.S. data on Tuesday showing retail sales rose less than expected in June boosted views that the Federal Reserve will stop raising interest rates. Higher rates increase borrowing costs and can slow economic growth and reduce oil demand.

U.S. natural gas futures eased about 1% on Wednesday on forecasts for less demand this week than previously expected and slow growth in the amount of gas flowing to U.S. liquefied natural gas (LNG) export plants due to ongoing maintenance work at several facilities.

That price decline came even though daily output dropped and forecasts for the weather to remain hotter-than-normal through early August, especially in Texas.

Power demand in Texas hit a record high for a second day in a row on Tuesday and will likely break that record again on Wednesday (and next week) as homes and businesses keep air conditioners cranked up to escape a lingering heatwave, according to the Electric Reliability Council of Texas (ERCOT), the state's power grid operator.

Extreme heat boosts the amount of gas generators burn to produce power for cooling, especially in Texas, which gets most of its electricity from gas-fired plants. In 2022, about 49% of the state's power came from gas-fired plants, with most of the rest coming from wind (22%), coal (16%), nuclear (8%) and solar (4%), according to federal energy data.

Front-month gas futures for August delivery on the New York Mercantile Exchange fell 2.6 cents, or 1.0%, to settle at \$2.603 per million British thermal units.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	AUG 23 75.35	-0.39	76.97	75.07
Natural Gas	AUG 23 2.603	-0.002	2.657	2.584
RB Gasoline	AUG 23 272.05	3.00	274.50	268.19
Heating Oil	AUG 23 264.18	4.02	267.74	259.90
Brent, Fin Last Day	SEP 23 79.49	-0.14	80.95	79.18
US Dollar Index		0.349	100.535	99.925

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
14/7/2023	-708	-2500	-1066	-1500	12300	457420
7/7/2023	5946	-50	-4	-1350	12300	458128
30/6/2023	-1508	-2000	-2549	0	12400	452162
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	-207	-1500	-207	-1100	12200	459657
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

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior	
07/19/2023 22:30	DOE U.S. Crude Oil Inventories	Jul-14	-2500k	-708k	5946k
07/19/2023 22:30	DOE Cushing OK Crude Inventory	Jul-14	--	-2891k	-1605k
07/19/2023 22:30	DOE U.S. Gasoline Inventories	Jul-14	-1500k	-1066k	-4k
07/19/2023 22:30	DOE U.S. Distillate Inventories	Jul-14	1000k	13k	4815k
07/19/2023 22:30	DOE U.S. Refinery Utilization	Jul-14	0.00%	0.60%	2.60%
07/19/2023 22:30	DOE Crude Oil Implied Demand	Jul-14	--	19575	17331
07/19/2023 22:30	DOE Gasoline Implied Demand	Jul-14	--	9926.9	9872.1
07/19/2023 22:30	DOE Distillate Implied Demand	Jul-14	--	5093.1	4468.1
07/20/2023 22:30	EIA Natural Gas Storage Change	Jul-14	44	--	49
07/20/2023 22:30	EIA Working Natural Gas Implied Flow	Jul-14	44	--	49
07/22/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jul-21	--	--	537
07/22/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jul-21	--	--	133
07/22/2023 01:00	Baker Hughes U.S. Rig Count	Jul-21	--	--	675

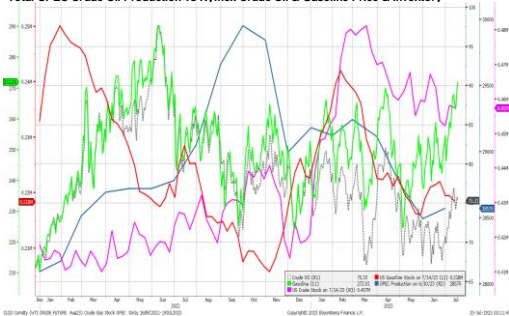
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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	1st Resistance: 76.48	2nd Resistance: 77.61	Natural Gas	1st Resistance: 2.642	2nd Resistance: 2.681	Gasoline	1st Resistance: 276.13	2nd Resistance: 280.21
	1st Support: 74.22	2nd Support: 73.09		1st Support: 2.564	2nd Support: 2.525		1st Support: 267.97	2nd Support: 263.89
	MACD: 1.235			MACD: 0.002			MACD: 5.670	
	MACD DIFF: 0.435			MACD DIFF: -0.015			MACD DIFF: 1.574	
	RSI: 57.814			RSI: 50.727			RSI: 65.223	
Heating Oil	1st Resistance: 268.14	2nd Resistance: 272.11	Brent Fin Last Day	1st Resistance: 80.68	2nd Resistance: 81.87			
	1st Support: 260.22	2nd Support: 256.25		1st Support: 78.30	2nd Support: 77.11			
	MACD: 5.831			MACD: 1.188				
	MACD DIFF: 1.212			MACD DIFF: 0.331				
	RSI: 64.128			RSI: 57.264				

Strategy

Crude Oil	Long: 74.22	Profit target: 74.96	Stop-loss: 73.85	Long: 73.09	Profit target: 73.82	Stop-loss: 72.72	Short: 76.48	Profit target: 75.72	Stop-loss: 76.86	Short: 77.61	Profit target: 76.83	Stop-loss: 78.00
Natural Gas		2.564	2.590	2.551	2.525	2.550	2.512	2.642	2.616	2.655	2.681	2.694
Gasoline		267.97	270.65	266.63	263.89	266.53	262.57	276.13	273.37	277.51	280.21	277.41
Heating Oil		260.22	262.82	258.92	256.25	258.82	254.97	268.14	265.46	269.48	272.11	269.38
Brent Fin Last Day		78.30	79.08	77.91	77.11	77.88	76.72	80.68	79.88	81.09	81.87	81.06

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