

**Fundamentals:**

Oil prices rose on Friday and notched a fifth straight week of gains as investors were optimistic that healthy demand and supply cuts will keep prices buoyant.

Risk appetite in wider financial markets has been fueled by growing expectations that central banks such as the U.S. Federal Reserve and European Central Bank are nearing the end of policy tightening campaigns, boosting the outlook for global growth and energy demand.

Bolstered by supply cuts from the OPEC+ alliance announced earlier this month, both oil benchmarks gained nearly 5% for the week - a fifth straight week of gains. The benchmarks are on track to gain over 13% for the month.

Brent crude settled 75 cents higher to \$84.99 a barrel, while U.S. West Texas Intermediate (WTI) crude gained 49 cents to \$80.58 a barrel.

Both benchmarks fell by as much as \$1 briefly earlier in the session, as investors took profits after WTI rose above \$80 per barrel, Price Futures Group analyst Phil Flynn said.

Bullish demand expectations were boosted on Thursday after U.S. second quarter gross domestic product grew at a forecast-beating 2.4%, supporting Federal Reserve Chairman Jerome Powell's view that the economy can achieve a so-called "soft landing."

Fresh data released on Friday showed some of the euro zone's top economies displayed unexpected resilience in the second quarter even as a raft of indicators pointed to renewed weakness ahead, as manufacturing ails and services slow.

Meanwhile, policymakers in China have pledged to step up stimulus measures to invigorate the post-COVID recovery after the world's second-largest economy grew at a frail pace in the second quarter.

In an interview on Friday, Exxon Mobil chief Darren Woods said he expected record oil demand this year and next.

On the supply side, U.S. oil rigs fell by one to 529 this week, their lowest since March 2022, energy services firm Baker Hughes said on Friday. The data is an indication of future supply.

Evidence of tightening is mounting, given declining U.S. inventories and Saudi Arabia's voluntary cut of 1 million barrels per day. Commerzbank analysts said, highlighting this month could have seen OPEC oil production plunge to its lowest level since the autumn of 2021.

Saudi Arabia is expected to extend the voluntary oil output cut for another month to include September, five analysts said, to provide additional support for the oil market.

U.S. natural gas futures gained about 2% on Friday on forecasts for more demand over the next two weeks than previously expected with the weather projected to remain hotter than normal through at least mid-August.

On its first day as the front-month, gas futures for September delivery on the New York Mercantile Exchange rose 4.3 cents, or 1.7%, from where the September contract closed on Thursday to settle at \$2.638 per million British thermal units.

That, however, was up about 6% from where the August contract closed when it was still the front-month on Thursday.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	80.58	0.58	80.70	79.07
Natural Gas SEP 23	2.638	0.046	2.685	2.564
RB Gasoline AUG 23	295.58	0.46	299.36	292.40
Heating Oil AUG 23	295.86	4.43	297.48	286.62
Brent Fin Last Day OCT 23	84.49	0.70	84.50	82.85
US Dollar Index	101.65	-0.119	102.042	101.357

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

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
21/7/2023	-600	-2250	-786	-1373	12200	456820
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	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	2745	1500	2745	1000	12400	459205
26/5/2023	4489	-1500	-207	-1100	12200	459657
19/5/2023	-12456	2000	-2053	-1600	12300	455188
12/5/2023	5040	-2000	-1381	-2000	12200	467624
5/5/2023	2951	-2500	-3167	-1500	12300	462584

**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior
07/29/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jul-28	--	529	530
07/29/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jul-28	--	128	131
07/29/2023 01:00 Baker Hughes U.S. Rig Count	Jul-28	--	664	669
08/02/2023 22:30 DOE U.S. Crude Oil Inventories	Jul-28	--	-600K	--
08/02/2023 22:30 DOE Cushing OK Crude Inventory	Jul-28	--	-2609K	--
08/02/2023 22:30 DOE U.S. Gasoline Inventories	Jul-28	--	-786K	--
08/02/2023 22:30 DOE U.S. Distillate Inventory	Jul-28	--	-245K	--
08/02/2023 22:30 DOE U.S. Refinery Utilization	Jul-28	--	-0.90%	--
08/02/2023 22:30 DOE Crude Oil Implied Demand	Jul-28	--	18653	--
08/02/2023 22:30 DOE Gasoline Implied Demand	Jul-28	--	9933.6	--
08/02/2023 22:30 DOE Distillate Implied Demand	Jul-28	--	4976	--
08/03/2023 22:30 EIA Natural Gas Storage Change	Jul-28	--	16	--
08/03/2023 22:30 EIA Working Natural Gas Implied Flow	Jul-28	--	16	--
08/05/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Aug-04	--	529	--
08/05/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Aug-04	--	128	--
08/05/2023 01:00 Baker Hughes U.S. Rig Count	Aug-04	--	664	--

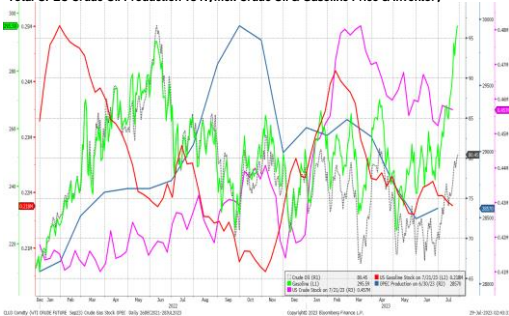
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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 Natural Gas Daily Chart**



**Nymex Brent Last Day Daily Chart**



**Nymex RBOB Gasoline Daily Chart**



**Nymex Heating Oil Daily Chart**



**Technical Analysis**

<b>Crude Oil</b>	1st Resistance: 81.79	2nd Resistance: 83.00	<b>Natural Gas</b>	1st Resistance: 2.678	2nd Resistance: 2.717	<b>Gasoline</b>	1st Resistance: 300.01	2nd Resistance: 304.45
	1st Support: 79.37	2nd Support: 78.16		1st Support: 2.598	2nd Support: 2.559		1st Support: 291.15	2nd Support: 286.71
	MACD: 2.199			MACD: 0.017			MACD: 11.064	
	MACD DIFF: 0.539			MACD DIFF: -0.001			MACD DIFF: 2.726	
	RSI: 68.490			RSI: 50.537			RSI: 74.288	
<b>Heating Oil</b>	1st Resistance: 300.30	2nd Resistance: 304.74	<b>Brent Fin Last Day</b>	1st Resistance: 85.76	2nd Resistance: 87.02			
	1st Support: 291.42	2nd Support: 286.98		1st Support: 83.22	2nd Support: 81.96			
	MACD: 11.806			MACD: 2.049				
	MACD DIFF: 3.237			MACD DIFF: 0.482				
	RSI: 80.380			RSI: 68.989				

**Strategy**

<b>Crude Oil</b>	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
<b>Natural Gas</b>	79.37	80.17	78.97	78.16	78.94	77.77	81.79	80.97	82.20	83.00	82.17	83.41
<b>Gasoline</b>	291.15	294.06	289.69	286.71	289.58	285.28	2.678	2.651	2.691	2.717	2.690	2.731
<b>Heating Oil</b>	291.42	294.34	289.96	286.98	289.85	285.55	300.01	297.01	301.51	304.45	301.40	305.97
<b>Brent Fin Last Day</b>	83.22	84.05	82.81	81.96	82.77	81.55	300.30	297.29	301.80	304.74	301.69	306.26
							85.76	84.90	86.19	87.02	86.15	87.46

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.