

Fundamentals:

Oil prices rallied to a fresh three-month high on Monday and recorded their steepest monthly gains since January 2022, supported by signs of tightening global supply and rising demand through the rest of this year.

More actively traded October Brent crude futures rose \$1.02, or 1.2%, to settle at \$85.43 a barrel. The September Brent contract, which expired at settlement on Monday, rose 0.7% to close at \$85.56 a barrel.

U.S. West Texas Intermediate crude futures rallied \$1.22, or 1.5%, to \$81.80 a barrel.

Both Brent and WTI hit their highest since late April for a third consecutive session on Monday, after notching their fifth straight weekly gains on Friday.

Saudi Arabia is expected to extend a voluntary oil output cut of 1 million barrels per day (bpd) for another month to include September. Saudi output fell by 860,000 barrels per day (bpd) in July, while total production from the Organization of Petroleum Exporting Countries was 840,000 bpd lower, a Reuters survey found on Monday.

Oil inventories are beginning to drop elsewhere too, especially in the U.S., where the government has started refilling the Strategic Petroleum Reserve from its lowest level in multiple decades. Five analysts polled by Reuters on Monday estimated on average that U.S. crude inventories fell by about 900,000 barrels in the week to July 26.

Goldman Sachs estimated that global oil demand rose to a record 102.8 million bpd in July and it revised up 2023 demand by about 550,000 bpd on stronger economic growth estimates in India and the U.S., offsetting a downgrade for China's consumption.

U.S. natural gas futures were little changed on Monday as forecasts for more demand over the next two weeks than previously expected offset record output and forecasts for less hot weather than previously expected.

Even though the forecasts were for less heat than previously expected, meteorologists still expect the weather to remain hotter than normal through mid-August.

Friday was the hottest day so far this summer in the U.S. Lower 48 states and the third hottest on record, according to Refinitiv data going back to 2018. Refinitiv said temperatures across the country averaged 82.2 degrees Fahrenheit (27.9 Celsius) on Friday, just shy of the 82.6 F on July 19, 2022, and the record high of 83.0 F on July 20, 2022.

Front-month gas futures for September delivery on the New York Mercantile Exchange fell 0.4 cents, or 0.2%, to settle at \$2.634 per million British thermal units.

A lack of rapid price moves in recent weeks - futures settled up or down 5% only three times in July - cut the contract's 30-day implied volatility to 54.4%, its lowest since March 2022.

For the month, the contract fell about 6% after jumping about 23% in June.

Even though prices were down in July, speculators last week boosted their net long gas futures and options positions on the New York Mercantile and Intercontinental Exchanges for the sixth time in seven weeks, according to the U.S. Commodity Futures Trading Commission's Commitments of Traders report.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	81.80	1.28	82.00	80.13
Natural Gas SEP 23	2.634	0.005	2.693	2.605
RB Gasoline SEP 23	289.55	1.93	290.87	284.94
Heating Oil SEP 23	238.55	5.19	300.54	292.22
Brent, Fin Last Day OCT 23	85.48	1.07	85.59	83.93
US Dollar Index	101.90	0.275	101.905	101.531

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	462393
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	455168
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 01:00 EIA Natural Gas Storage Change	Jul-28	--	--	16
08/03/2023 01:00 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	--

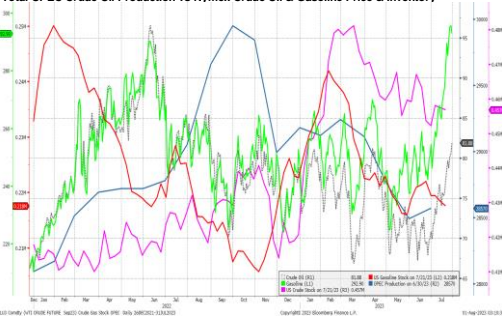
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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

Crude Oil			Natural Gas			Gasoline					
1st Resistance:	83.03	2nd Resistance:	84.25	1st Resistance:	2.674	2nd Resistance:	2.713	1st Resistance:	293.89	2nd Resistance:	298.24
1st Support:	80.57	2nd Support:	79.35	1st Support:	2.594	2nd Support:	2.555	1st Support:	285.21	2nd Support:	280.86
MACD:	2.373			MACD:	0.015			MACD:	11.773		
MACD DIFF:	0.571			MACD DIFF:	-0.003			MACD DIFF:	2.478		
RSI:	70.876			RSI:	50.670			RSI:	75.783		
Heating Oil			Brent Fin Last Day								
1st Resistance:	303.03	2nd Resistance:	307.51	1st Resistance:	86.76	2nd Resistance:	88.04				
1st Support:	294.07	2nd Support:	289.59	1st Support:	84.20	2nd Support:	82.92				
MACD:	12.876			MACD:	2.211						
MACD DIFF:	3.536			MACD DIFF:	0.517						
RSI:	82.482			RSI:	71.107						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	80.57	81.38	80.17	79.35	80.14	79.95	83.03	82.20	83.44	84.25	83.41	84.68
Natural Gas	2.594	2.620	2.582	2.594	2.581	2.542	2.674	2.647	2.687	2.713	2.696	2.727
Gasoline	285.21	288.06	283.78	280.86	283.67	279.46	293.89	290.95	295.36	298.24	295.25	299.73
Heating Oil	294.07	297.01	292.60	289.59	292.49	288.15	303.03	300.00	304.54	307.51	304.43	309.04
Brent Fin Last Day	84.20	85.04	83.78	82.92	83.74	82.50	86.76	85.89	87.20	88.04	87.16	88.48

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