

Fundamentals:

Oil prices rose about 1% on Friday on signs of slowing U.S. output, but both crude benchmarks also ended their longest weekly rally of 2023 on mounting concerns about global demand growth.

West Texas Intermediate (WTI) crude futures gained 86 cents, or 1.1%, to settle at \$81.25 a barrel, and Brent crude futures rose 68 cents, or 0.8%, to settle at \$84.80 a barrel.

Both benchmarks pushed higher on Friday after industry data showed that the U.S. oil and natural gas rig count, an early indicator of future output, fell for the sixth week in a row. A slump in U.S. production could exacerbate an anticipated supply tightness through the rest of this year.

Those concerns, spurred on by output cuts from the Organization of the Petroleum Exporting Countries and allies, helped oil prices gain for seven straight weeks since June. Brent crude gained about 18% and WTI gained 20% over the seven weeks ended Aug. 11.

This week, however, oil prices dropped about 2% from last week, as a worsening property crisis in China added to concerns about the country's sluggish economic recovery and reduced investors' appetite for risk across markets.

Concern is also mounting that the U.S. Federal Reserve has not finished raising interest rates to tackle inflation. Higher borrowing costs can impede economic growth and in turn reduce overall demand for oil.

Oil benchmarks were further depressed by seasonal demand weakness heading into the autumn, said Jay Hatfield, CEO of Infrastructure Capital Management.

Hatfield said he expects demand to hold up in China despite its slowing economy and forecast oil prices would trade between \$75 to \$90 a barrel over the coming months.

U.S. natural gas futures fell to a more than two-week low on Friday, on expectations of weak demand heading into a seasonally slow season and as relief from heat waves raised the prospect of less consumption for cooling.

Front-month gas futures for September delivery on the New York Mercantile Exchange settled 7 cents, or 2.7% lower, at \$2.551 per million British thermal units (mmBtu). The contract was on track to post a weekly decline of about 8%.

Gas prices are drifting back down on some expected temperature moderation as production maintains at a lofty level, analysts at Ritterbusch and Associates said in a note.

Meteorologists forecast the weather in the Lower 48 states will remain hotter than normal through at least Sept. 2, but, deviations from normal are declining.

The U.S. Energy Information Administration (EIA) said utilities added 35 billion cubic feet (bcf) of gas into storage during the week ended Aug. 11, filling stockpiles to 3,065 bcf. That was 10.8% above the five-year (2018-2022) average.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	81.25	0.96	81.61	79.59
Natural Gas SEP 23	2.551	-0.053	2.636	2.524
RB Gasoline SEP 23	282.32	-0.15	285.25	277.68
Heating Oil SEP 23	315.97	6.88	317.69	308.31
Brent, Fin Last Day OCT 23	84.76	0.64	85.07	83.32
US Dollar Index	103.46	-0.115	103.68	103.225

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	446222
28/7/2023	-17049	-1050	1481	-1550	12200	439771
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	603	-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

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
08/19/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Aug-18	--	520	525
08/19/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Aug-18	--	117	123
08/19/2023 01:00 Baker Hughes U.S. Rig Count	Aug-18	--	642	654
08/23/2023 22:30 DOE U.S. Crude Oil Inventories	Aug-18	--	--	-5960k
08/23/2023 22:30 DOE Cushing OK Crude Inventory	Aug-18	--	--	-837k
08/23/2023 22:30 DOE U.S. Gasoline Inventories	Aug-18	--	--	-262k
08/23/2023 22:30 DOE U.S. Distillate Inventory	Aug-18	--	--	296k
08/23/2023 22:30 DOE U.S. Refinery Utilization	Aug-18	--	--	0.80%
08/23/2023 22:30 DOE Crude Oil Implied Demand	Aug-18	--	--	20709
08/23/2023 22:30 DOE Gasoline Implied Demand	Aug-18	--	--	9732.3
08/23/2023 22:30 DOE Distillate Implied Demand	Aug-18	--	--	4815.7
08/24/2023 22:30 EIA Natural Gas Storage Change	Aug-18	--	--	35
08/24/2023 22:30 EIA Working Natural Gas Implied Flow	Aug-18	--	--	35
08/26/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Aug-25	--	--	520
08/26/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Aug-25	--	--	117
08/26/2023 01:00 Baker Hughes U.S. Rig Count	Aug-25	--	--	642

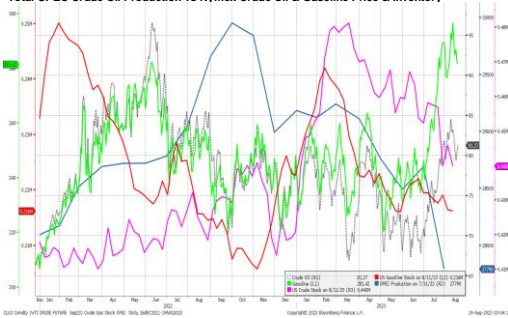
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

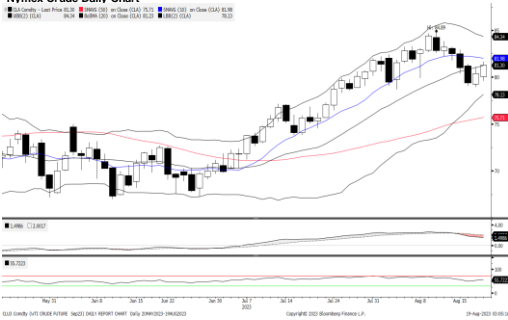


WTI-Brent Spread



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		Natural Gas		Gasoline	
1st Resistance:	82.47	1st Resistance:	2.589	1st Resistance:	286.55
1st Support:	80.03	1st Support:	2.513	1st Support:	278.09
MACD:	1.502	MACD:	0.006	MACD:	6.142
MACD DIFF:	-0.500	MACD DIFF:	-0.016	MACD DIFF:	-1.786
RSI:	55.863	RSI:	45.103	RSI:	53.869

Heating Oil		Brent Fin Last Day	
1st Resistance:	320.71	1st Resistance:	86.03
1st Support:	311.23	1st Support:	83.49
MACD:	12.233	MACD:	1.408
MACD DIFF:	-1.238	MACD DIFF:	-0.461
RSI:	68.591	RSI:	55.372

2nd Resistance:		2nd Support:		2nd Resistance:		2nd Support:	
83.69	78.81	2.628	2.474	290.79	273.85	325.45	306.49
87.30	82.22	87.30	82.22	320.79	292.24	322.31	309.67

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	80.03	80.83	79.63	78.81	79.60	78.42	82.47	81.64	82.98	83.69	82.85	84.11
Natural Gas	2.513	2.538	2.500	2.474	2.499	2.462	2.589	2.563	2.602	2.628	2.601	2.641
Gasoline	278.09	280.87	276.69	273.85	276.59	272.48	286.55	283.69	287.99	290.79	287.88	292.24
Heating Oil	311.23	314.34	309.67	306.49	309.56	304.96	320.71	317.50	322.31	325.45	322.19	327.08
Brent Fin Last Day	83.49	84.32	83.07	82.22	83.04	81.81	86.03	85.17	86.46	87.30	86.43	87.74

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