

Fundamentals:

Oil futures climbed about 1% to a one-week high on Friday as U.S. diesel prices soared, the number of oil rigs dropped and a fire broke out at a refinery in Louisiana.

Brent futures rose \$1.12, or 1.3%, to settle at \$84.48 a barrel, while U.S. West Texas Intermediate (WTI) crude 78 cents, or 1.0%, to settle at \$79.83.

Diesel futures soared about 5% to a near seven-month high, boosting the diesel crack spread, a measure of refining profit margins, to its highest since January 2023.

Weak economic data and a stronger dollar limited gains. For the week, Brent declined less than 1% and WTI lost about 2%. Last week, both benchmarks fell about 2%.

A fire in a giant naphtha storage tank was contained on Friday afternoon at Marathon Petroleum's 596,000 barrel-per-day (bpd) Garyville, Louisiana refinery.

In August, U.S. energy firms cut the number of active oil rigs for a ninth straight month, energy services firm Baker Hughes said in its closely followed report.

Crude prices rose despite weak economic news from Germany, Europe's biggest economy, and the U.S. dollar rose to an 11-week high against a basket of other currencies after U.S. Federal Reserve Chair Jerome Powell said further interest rate hikes may be needed to fight inflation.

Higher interest rates can slow economic growth and reduce oil demand. A stronger dollar can also slow demand by making oil more expensive for holders of other currencies.

U.S. consumer sentiment, meanwhile, fell modestly in August, as short- and long-term inflation expectations worsened, a survey showed on Friday.

Analysts at Morgan Stanley said they expect Brent prices to be well supported around \$80 per barrel, with crude likely to remain in a deficit over the rest of this year before returning to a small surplus in early 2024.

Norwegian energy firm Equinor, for example, said it started production at its extended Statfjord Ost field six months ahead of schedule.

U.S. natural gas futures edged up about 1% on Friday on forecasts for hot weather to continue into next week, forcing power generators to keep burning lots of gas to produce electricity for air conditioning.

This week, that heat wave boosted power prices in Texas to a 30-month high and the state's grid operator, the Electric Reliability Council of Texas (ERCOT), called on consumers to conserve energy for a second day in a row on Friday due to tight electric supplies.

Extreme heat boosts the amount of gas burned 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%), federal energy data showed.

Front-month gas futures for September delivery on the New York Mercantile Exchange rose 2.1 cents, or 0.8%, to settle at \$2.540 per million British thermal units (mmBtu).

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	OCT 23 79.83	0.89	80.45	78.14
Natural Gas	SEP 23 2.540	0.031	2.555	2.468
RB Gasoline	SEP 23 297.64	8.73	299.25	276.90
Heating Oil	SEP 23 330.75	15.96	333.55	314.71
Brent, Fin Last Day	OCT 23 84.61	1.25	84.97	82.69
US Dollar Index		0.220	104.447	103.741

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5951	2300	-2651	-200	12600	445622
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	-2549	-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

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
08/26/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Aug-25	--	512	520
08/26/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Aug-25	--	115	117
08/26/2023 01:00 Baker Hughes U.S. Rig Count	Aug-25	--	632	642
08/30/2023 22:30 DOE U.S. Crude Oil Inventories	Aug-25	--	--	-6134K
08/30/2023 22:30 DOE Cushing OK Crude Inventory	Aug-25	--	--	-3133K
08/30/2023 22:30 DOE U.S. Gasoline Inventories	Aug-25	--	--	1468K
08/30/2023 22:30 DOE U.S. Distillate Inventory	Aug-25	--	--	945K
08/30/2023 22:30 DOE U.S. Refinery Utilization	Aug-25	--	--	-0.20%
08/30/2023 22:30 DOE Crude Oil Implied Demand	Aug-25	--	--	20609
08/30/2023 22:30 DOE Gasoline Implied Demand	Aug-25	--	--	9740.3
08/30/2023 22:30 DOE Distillate Implied Demand	Aug-25	--	--	5019
08/31/2023 22:30 EIA Natural Gas Storage Change	Aug-25	--	--	18
08/31/2023 22:30 EIA Working Natural Gas Implied Flow	Aug-25	--	--	18

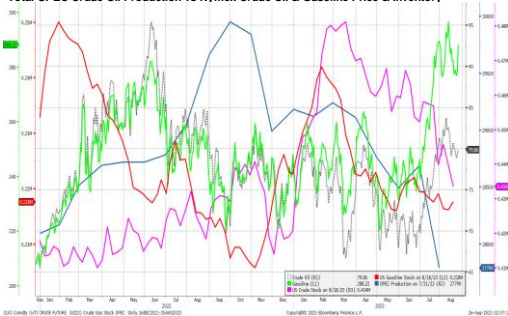
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

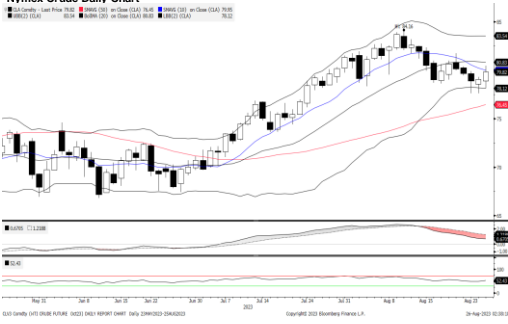


WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



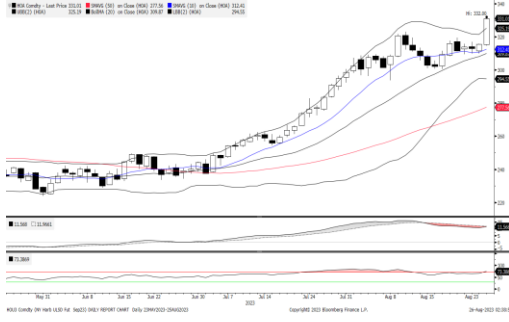
Nymex RBOB Gasoline Daily Chart



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:	81.03	1st Resistance:	2.578	1st Resistance:	291.95
1st Support:	78.63	1st Support:	2.502	1st Support:	283.33
MACD:	0.679	MACD:	-0.027	MACD:	-3.178
MACD DIFF:	-0.540	MACD DIFF:	-0.022	MACD DIFF:	-1.848
RSI:	52.873	RSI:	45.693	RSI:	58.123

Heating Oil		Brent Fin Last Day	
1st Resistance:	335.71	1st Resistance:	85.88
1st Support:	325.79	1st Support:	83.34
MACD:	11.613	MACD:	0.731
MACD DIFF:	-0.360	MACD DIFF:	-0.486
RSI:	73.609	RSI:	54.655

2nd Resistance:	2nd Support:	2nd Resistance:	2nd Support:	2nd Resistance:	2nd Support:
82.22	77.44	2.616	2.464	296.27	279.01
340.67	320.83	87.15	82.07		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	78.63	79.42	78.24	77.44	78.21	77.05	81.03	80.22	81.43	82.22	81.40	82.64
Natural Gas	2.502	2.527	2.489	2.464	2.488	2.451	2.578	2.552	2.591	2.616	2.590	2.629
Gasoline	283.33	286.16	281.91	279.01	281.80	277.62	291.95	289.04	293.41	296.27	293.31	297.75
Heating Oil	325.79	329.05	324.16	320.83	324.04	319.22	335.71	332.35	337.39	340.67	337.27	342.38
Brent Fin Last Day	83.34	84.17	82.92	82.07	82.89	81.66	85.88	85.02	86.31	87.15	86.28	87.58

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