

Fundamentals:

Oil prices settled down 1% on Monday, after six straight weekly gains, as investors braced for weaker demand from China and the United States, the world's two biggest economies.

Brent crude settled 90 cents, or 1.04% lower, at \$85.34 a barrel. U.S. West Texas Intermediate crude settled down 88 cents, or 1.06%, at \$81.94 a barrel.

Analysts noted the six straight weekly gains and pointed to the impending early September end of the U.S. summer driving season and lower than expected demand from China.

Polish pipeline operator PERN said it expects to resume flows on Tuesday on a pipeline that transports oil to Europe, easing worries of supply constraints.

PERN had halted pumping through a section of the Druzhba pipeline after detecting a leak in central Poland on Saturday.

Saudi Arabia, the world's top oil exporter, last week extended its production cut to the end of September, and said more could follow.

In line with production cuts, Saudi Aramco on Saturday raised the official selling prices for most grades it sells to Asia for a third month in September.

Russia added to the supply tightness with an announcement it will cut oil exports by 300,000 bpd in September.

Chinese economic data this week will be in focus as the market seeks to gauge Beijing's appetite for more stimulus measures to support the world's second-largest economy.

Investors will also monitor the U.S. consumer price index reading on Thursday for clues on the Federal Reserve's monetary policy path.

On Monday, Fed Governor Michelle Bowman said additional interest rate hikes will likely be needed to lower inflation to meet the Fed's 2% target.

U.S. natural gas futures rose more than 4% to nearly a two-week high on Monday on forecasts for higher demand over the next week because of hotter-than-expected weather through mid-August, especially in Texas.

Front-month gas futures for September delivery on the New York Mercantile Exchange settled 0.148 cent, or 5.7% higher, at \$2.725 per million British thermal units (mmBtu). The contract also touched its highest since July 25.

Power demand in Texas hit an all-time high last week and will likely break that record again this week as homes and businesses keep their air conditioners cranked up during the lingering heat wave, according to forecasts by the Electric Reliability Council of Texas (ERCOT), the state's power grid operator.

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.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	81.94	-0.33	83.30	81.52
Natural Gas SEP 23	2.725	0.157	2.754	2.571
RB Gasoline SEP 23	280.44	4.30	282.82	277.12
Heating Oil SEP 23	301.55	-3.35	308.28	301.22
Brent, Fin Last Day OCT 23	85.84	-0.40	86.71	85.04
US Dollar Index	102.08	0.061	102.384	101.967

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
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	-9603	-1500	603	1000	12200	453690
16/6/2023	-3831	450	479	800	12200	463293
9/6/2023	2108	-1536	2108	1000	12400	467124
2/6/2023	-452	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

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
08/09/2023 00:00	STEO Fwd Yr Dry Nat Gas Forecast	Aug	--	102.4
08/09/2023 00:00	STEO Curr Yr Dry Nat Gas Forecast	Aug	--	102.35
08/09/2023 00:00	STEO Fwd Yr Crude Forecast	Aug	--	12.85
08/09/2023 00:00	STEO Current Yr Crude Forecast	Aug	--	12.56
08/09/2023 22:30	DOE U.S. Crude Oil Inventories	Aug-04	--	-17049k
08/09/2023 22:30	DOE Cushing OK Crude Inventory	Aug-04	--	-1259k
08/09/2023 22:30	DOE U.S. Gasoline Inventories	Aug-04	--	-1481k
08/09/2023 22:30	DOE U.S. Distillate Inventory	Aug-04	--	-796k
08/09/2023 22:30	DOE U.S. Refinery Utilization	Aug-04	--	-0.70%
08/09/2023 22:30	DOE Crude Oil Implied Demand	Aug-04	--	21304
08/09/2023 22:30	DOE Gasoline Implied Demand	Aug-04	--	9656.1
08/09/2023 22:30	DOE Distillate Implied Demand	Aug-04	--	5087.7
08/10/2023 22:30	EIA Natural Gas Storage Change	Aug-04	--	14
08/10/2023 22:30	EIA Working Natural Gas Implied Flow	Aug-04	--	14
08/12/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Aug-11	--	525
08/12/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Aug-11	--	128
08/12/2023 01:00	Baker Hughes U.S. Rig Count	Aug-11	--	659

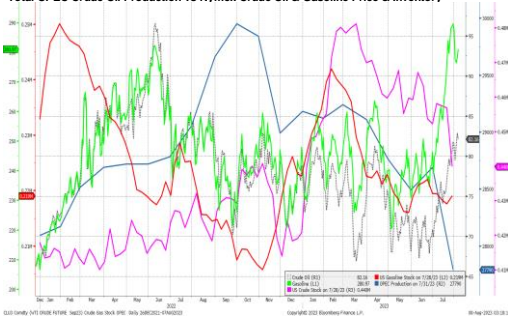
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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:	83.17	1st Resistance:	2.766	1st Resistance:	284.65
1st Support:	80.71	1st Support:	2.684	1st Support:	276.23
MACD:	2.515	MACD:	0.000	MACD:	8.712
MACD DIFF:	0.282	MACD DIFF:	-0.002	MACD DIFF:	-0.809
RSI:	66.629	RSI:	56.614	RSI:	63.247

Heating Oil		Brent Fin Last Day	
1st Resistance:	306.07	1st Resistance:	87.13
1st Support:	297.03	1st Support:	84.55
MACD:	15.050	MACD:	2.310
MACD DIFF:	2.067	MACD DIFF:	0.238
RSI:	75.749	RSI:	65.969

2nd Resistance:		2nd Support:	
84.40	79.48	2.807	2.643
310.60	292.50	88.42	83.26
288.85	272.03		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	80.71	81.52	80.31	79.48	80.28	79.08	83.17	82.34	83.58	84.40	83.55	84.82
Natural Gas	2.684	2.711	2.671	2.643	2.670	2.630	2.766	2.738	2.780	2.807	2.779	2.821
Gasoline	276.23	279.00	274.85	272.03	274.75	270.67	284.65	281.80	286.07	288.85	285.96	290.30
Heating Oil	297.03	300.00	295.54	292.50	295.43	291.04	306.07	303.01	307.60	310.60	307.49	312.15
Brent Fin Last Day	84.55	85.40	84.13	83.26	84.10	82.85	87.13	86.26	87.56	88.42	87.53	88.86

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