

Fundamentals:

Oil prices climbed about 3% to a one-week high on Friday on worries that tensions in Israel and Gaza could spread into a wider conflict that could disrupt global crude supplies.

Brent futures rose \$2.55, or 2.9%, to settle at \$90.48 a barrel, while U.S. West Texas Intermediate (WTI) crude rose \$2.33, or 2.8%, to settle at \$85.54.

Brent's premium over WTI rose to its highest since March, making it more attractive for energy firms to send ships to the U.S. to pick up crude for export.

For the week, Brent was down about 2% and WTI down about 4%.

Trading was choppy. Early in the session, oil prices soared by more than \$2 a barrel after the U.S. military struck Iranian targets in Syria. Then prices briefly turned negative as markets digested various reports on mediation talks between the militant Hamas group and Israel led by Qatar in coordination with the U.S.

Israeli air and ground forces were stepping up operations in the Gaza Strip amid reports of heavy bombing of the besieged enclave.

A Hamas official, meanwhile, conditioned the release of hostages in Gaza on a ceasefire in Israel's bombardment of the Palestinian enclave, launched after a deadly Hamas rampage into southern Israel nearly three weeks ago.

Several countries, including many Arab states, have urged Israel to delay a planned ground invasion that would multiply civilian casualties and might ignite a wider conflict.

Middle East developments have so far not directly affected oil supplies, but many fear disruptions of exports from major crude producer and Hamas-backed Iran and others.

Goldman Sachs analysts retained their first-quarter 2024 Brent crude price forecast at \$95 a barrel but added that lower Iranian exports could cause baseline prices to rise by 5%.

Prospects for oil demand were uncertain.

U.S. consumer spending surged in September but was seen cooling off in early 2024. Some economists believe the U.S. Federal Reserve is done raising interest rates to fight inflation, which can slow economic growth and reduce oil demand.

But, economists told Reuters they expect high inflation will continue to dog the world economy next year.

U.S. natural gas futures slid about 2% on Friday in volatile trade ahead of contract expiration on record output and forecasts for less cold weather in two weeks that should reduce heating demand.

That price decline came despite forecast for extreme cold and much higher heating demand next week than previously expected.

On its last day as the front-month, gas futures for November delivery on the New York Mercantile Exchange fell 5.0 cents, or 1.6%, to settle at \$3.164 per million British thermal units (mmBtu). On Thursday, the contract closed at its highest since Oct. 12.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	DEC 23 85.54	1.95	85.90	83.10	
Natural Gas	DEC 23 3.483	-0.026	3.643	3.450	
RB Gasoline	NOV 23 231.25	5.67	231.69	225.71	
Heating Oil	NOV 23 305.19	-0.50	303.00	298.00	
Brent, Fin Last Day	JAN 24 88.84	1.79	89.40	86.81	
US Dollar Index		106.57	-0.036	106.801	106.324

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
20/10/2023	1372	-450	156	-1266	13200	421120
13/10/2023	-4491	-550	-2370	-100	13200	419748
6/10/2023	10176	-1400	-1313	-1000	13200	424239
29/9/2023	-2224	50	6481	-300	12900	414083
22/9/2023	-2169	-900	1027	-500	12900	416287
15/9/2023	-2136	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-2666	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-2191	-214	-1250	12800	422944
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/28/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Oct-27	--	504	502
10/28/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Oct-27	--	117	118
10/28/2023 01:00 Baker Hughes U.S. Rig Count	Oct-27	--	625	624
11/01/2023 22:30 DOE U.S. Crude Oil Inventories	Oct-27	--	--	1372k
11/01/2023 22:30 DOE Cushing OK Crude Inventory	Oct-27	--	--	213k
11/01/2023 22:30 DOE U.S. Gasoline Inventories	Oct-27	--	--	156k
11/01/2023 22:30 DOE U.S. Distillate Inventory	Oct-27	--	--	-1686k
11/01/2023 22:30 DOE U.S. Refinery Utilization	Oct-27	--	--	-0.50%
11/01/2023 22:30 DOE Crude Oil Implied Demand	Oct-27	--	--	19017
11/01/2023 22:30 DOE Gasoline Implied Demand	Oct-27	--	--	9695.9
11/01/2023 22:30 DOE Distillate Implied Demand	Oct-27	--	--	5089.9
11/02/2023 22:30 EIA Natural Gas Storage Change	Oct-27	--	--	74
11/02/2023 22:30 EIA Working Natural Gas Implied Flow	Oct-27	--	--	74
11/04/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Nov-03	--	--	504
11/04/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Nov-03	--	--	117
11/04/2023 01:00 Baker Hughes U.S. Rig Count	Nov-03	--	--	625

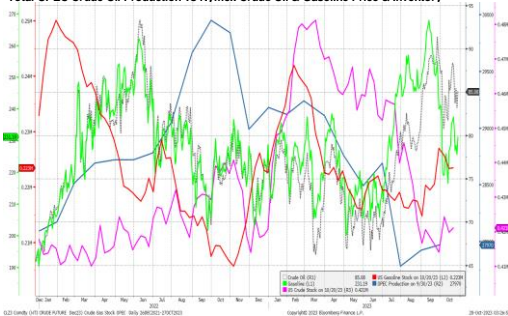
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



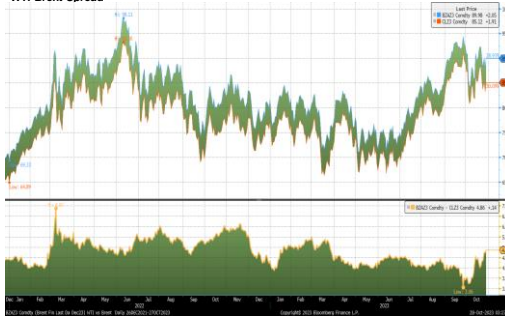
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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



WTI-Brent Spread

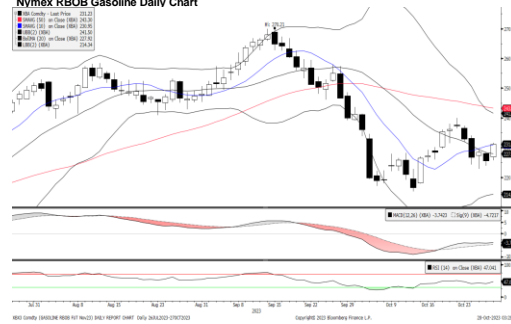


Source: Bloomberg

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:	86.82	2nd Resistance:	88.11	1st Resistance:	3.535	2nd Resistance:	3.587	1st Resistance:	234.72	2nd Resistance:	238.19
1st Support:	84.26	2nd Support:	82.97	1st Support:	3.431	2nd Support:	3.379	1st Support:	227.78	2nd Support:	224.31
MACD:	-0.067	MACD:	-0.015	MACD:	-3.740	MACD DIFF:	0.983	MACD:	-3.740	MACD DIFF:	0.983
MACD DIFF:	-0.160	MACD DIFF:	-0.004	MACD DIFF:	0.007	RSI:	47.088	MACD DIFF:	0.983	RSI:	47.088
RSI:	49.756	RSI:	51.276	RSI:	51.859			RSI:	47.088		
Heating Oil			Brent Fin Last Day								
1st Resistance:	309.77	2nd Resistance:	314.35	1st Resistance:	90.17	2nd Resistance:	91.51				
1st Support:	300.61	2nd Support:	296.03	1st Support:	87.51	2nd Support:	86.17				
MACD:	-1.932	MACD:	0.204	MACD:	0.007						
MACD DIFF:	-0.797	MACD DIFF:	0.007	MACD DIFF:	0.007						
RSI:	44.855	RSI:	51.859								

Strategy

Crude Oil	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Natural Gas	84.26	85.10	83.84	82.97	83.80	82.56	86.82	85.95	87.26	88.11	87.23	88.55
Gasoline	3.431	3.465	3.414	3.379	3.412	3.362	3.535	3.500	3.553	3.587	3.552	3.605
Heating Oil	227.78	230.06	226.64	224.31	226.56	223.19	234.72	232.37	235.89	238.19	235.81	239.38
Brent Fin Last Day	300.61	303.62	299.11	296.03	298.99	294.55	309.77	306.67	311.32	314.35	311.20	315.92
	87.51	88.38	87.07	86.17	87.04	85.74	90.17	89.27	90.62	91.51	90.59	91.96

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