

Fundamentals:

Oil prices fell over 2% on Monday as diplomatic efforts in the Middle East intensified in an attempt to contain the conflict between Israel and Hamas, easing investor concerns about potential supply disruptions.

Brent crude futures settled down \$2.33, or 2.5%, at \$89.83 a barrel. U.S. West Texas Intermediate crude futures were down \$2.59, or 2.9%, at \$85.49 a barrel.

The session's losses were the most both benchmarks have dropped in a day since early October.

European Union leaders will call for a "humanitarian pause" in the conflict this week so that aid can reach Palestinians in Gaza, with the leaders of France and the Netherlands set to visit Israel this week.

Aid convoys started to arrive in the Gaza Strip from Egypt over the weekend.

The armed wing of the Palestinian Hamas militant group said on Monday it had released two female civilian captives in response to Egyptian-Qatari mediation efforts, and a source told Reuters they were elderly Israelis.

Israel continued its bombardment of Gaza on Monday after launching air strikes over southern Lebanon overnight.

Both oil benchmarks notched week-on-week gains for the last two weeks, on the possibility of supply disruption in the Middle East — the world's biggest oil-supplying region — if the conflict were to spread.

Elsewhere, U.S. President Joe Biden last week announced the suspension of sanctions on OPEC member Venezuela, after a Venezuelan government deal with the opposition.

That could bring exports back to the market, but the extent to which this could mitigate the impact of supply risks in the Middle East is unclear.

U.S. natural gas futures broke an eight-day losing streak, rising about 1% on Monday, as forecasts for cooler weather and higher heating demand next week and near-record liquefied natural gas (LNG) exports prompted short sellers to take profits.

That small price increase came despite record output, ample storage and low spot prices, which has been weighing on prices for a couple of weeks.

Front-month gas futures for November delivery on the New York Mercantile Exchange rose 2.7 cents, or 0.9%, to settle at \$2.926 per million British thermal units (mmBtu). On Friday, the contract closed at its lowest since Oct. 2.

After eight days of price declines, traders noted that short sellers started to take profits before the front-month became technically for the first time since March.

One bearish factor that has weighed on the futures market for most of this year has been lower spot or next-day prices at the Henry Hub benchmark in Louisiana. The spot market has traded below front-month futures for 167 out of 202 trading days so far this year, according to data from financial firm LSEG.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	DEC 23 85.49	-1.97	88.29	85.35
Natural Gas	NOV 23 2.926	0.020	2.951	2.861
RB Gasoline	NOV 23 232.85	-4.53	237.42	231.83
Heating Oil	NOV 23 309.55	-5.16	317.89	307.76
Brent, Fin Last Day	DEC 23 90.45	-1.71	92.43	89.62
US Dollar Index		-0.546	106.334	105.517

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
13/10/2023	-4491	-550	-2370	-100	13200	419748
6/10/2023	10176	-1400	-1313	-1000	13200	424239
29/9/2023	-2224	50	6491	-300	12900	414063
22/9/2023	-2169	-900	1027	-500	12900	416297
15/9/2023	-2136	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-6307	-2000	-2666	-1000	12800	416637
25/8/2023	-214	-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
28/7/2023	-17049	-1050	1481	-1550	12200	439771

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/21/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Oct-20	--	502	501
10/21/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Oct-20	--	118	117
10/21/2023 01:00 Baker Hughes U.S. Rig Count	Oct-20	--	624	622
10/25/2023 22:30 DOE U.S. Crude Oil Inventories	Oct-20	-550k	--	-4491k
10/25/2023 22:30 DOE Cushing OK Crude Inventory	Oct-20	--	--	-758k
10/25/2023 22:30 DOE U.S. Gasoline Inventories	Oct-20	-100k	--	-2370k
10/25/2023 22:30 DOE U.S. Distillate Inventory	Oct-20	-1000k	--	-3185k
10/25/2023 22:30 DOE U.S. Refinery Utilization	Oct-20	-0.20%	--	0.40%
10/25/2023 22:30 DOE Crude Oil Implied Demand	Oct-20	--	--	19784
10/25/2023 22:30 DOE Gasoline Implied Demand	Oct-20	--	--	10024.1
10/25/2023 22:30 DOE Distillate Implied Demand	Oct-20	--	--	5226
10/26/2023 22:30 EIA Natural Gas Storage Change	Oct-20	--	--	97
10/26/2023 22:30 EIA Working Natural Gas Implied Flow	Oct-20	--	--	97
10/28/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Oct-27	--	--	502
10/28/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Oct-27	--	--	118
10/28/2023 01:00 Baker Hughes U.S. Rig Count	Oct-27	--	--	624

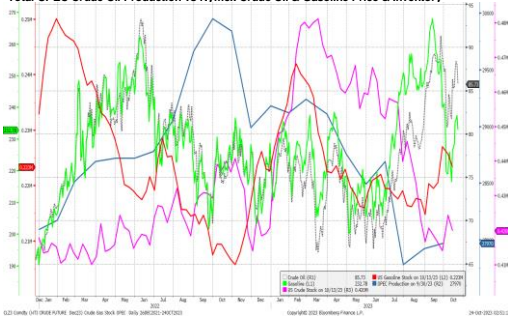
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



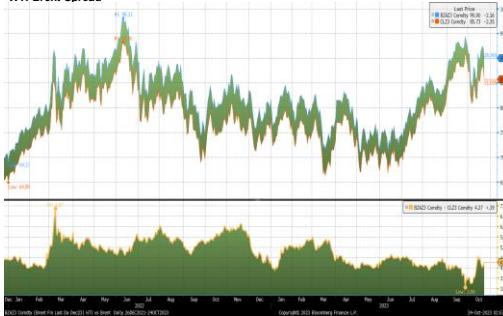
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

<p>Crude Oil</p> <p>1st Resistance: 86.77 2nd Resistance: 88.05</p> <p>1st Support: 84.21 2nd Support: 82.93</p> <p>MACD: 0.415</p> <p>MACD DIFF: 0.202</p> <p>RSI: 51.498</p>	<p>Natural Gas</p> <p>1st Resistance: 2.970 2nd Resistance: 3.014</p> <p>1st Support: 2.862 2nd Support: 2.838</p> <p>MACD: -0.009</p> <p>MACD DIFF: -0.034</p> <p>RSI: 40.380</p>	<p>Gasoline</p> <p>1st Resistance: 236.34 2nd Resistance: 239.84</p> <p>1st Support: 229.36 2nd Support: 225.86</p> <p>MACD: -4.051</p> <p>MACD DIFF: 1.722</p> <p>RSI: 46.448</p>
<p>Heating Oil</p> <p>1st Resistance: 314.19 2nd Resistance: 318.84</p> <p>1st Support: 304.91 2nd Support: 300.26</p> <p>MACD: -0.032</p> <p>MACD DIFF: 0.548</p> <p>RSI: 48.704</p>	<p>Brent Fin Last Day</p> <p>1st Resistance: 91.81 2nd Resistance: 93.16</p> <p>1st Support: 89.09 2nd Support: 87.74</p> <p>MACD: 0.532</p> <p>MACD DIFF: 0.277</p> <p>RSI: 52.733</p>	

Strategy

<p>Crude Oil</p> <p>Long: Profit target: 85.05 Stop-loss: 83.79</p> <p>2.882 2.911 2.868</p>	<p>Natural Gas</p> <p>Long: Profit target: 82.51 Stop-loss: 82.51</p> <p>2.838 2.867 2.824</p>	<p>Gasoline</p> <p>Short: Profit target: 87.21 Stop-loss: 87.21</p> <p>2.970 2.940 2.985</p>	<p>Heating Oil</p> <p>Short: Profit target: 237.42 Stop-loss: 237.42</p> <p>236.34 233.98 237.52</p>	<p>Brent Fin Last Day</p> <p>Short: Profit target: 88.49 Stop-loss: 88.49</p> <p>314.19 311.05 315.76</p>
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