

Fundamentals:

Oil slipped more than 3% on Monday as fears eased that the Israel-Hamas war would disrupt supply from the region, and as investors grew cautious ahead of this week's U.S. Federal Reserve meeting.

Brent crude futures settled at \$87.45 a barrel, down \$3.03, or 3.35%, while U.S. West Texas Intermediate crude finished at \$82.31 a barrel, down \$3.23, or 3.78%.

Crude jumped 3% on Friday after Israel stepped up ground incursions into Gaza, stoking worries the conflict could expand in a region that accounts for a third of global oil output. However, that concern was fading on Monday, analysts said.

Israeli troops and tanks attacked Gaza's main northern city from the east and west on Monday, three days after it began ground operations in the Palestinian enclave.

Investors are also focused on the outcome of Wednesday's Federal Reserve meeting, as well as on what earnings from the likes of tech giant Apple Inc might indicate regarding the prospects for an economic slowdown.

The Fed is widely expected to keep interest rates unchanged, while the central banks of Britain and Japan are also set to review their policies this week.

Meanwhile German inflation eased in October, pointing to a substantial cooling in headline inflation in the euro zone.

China reports its October manufacturing and services PMIs this week, with investors looking out for more signs that the economy of the world's top crude importer is stabilising.

On Monday the World Bank said it expected global oil prices to average \$90 a barrel in the fourth quarter and \$81 in 2023 as slowing growth eases demand, but warned that an escalation of the Middle East conflict could spike prices significantly higher.

U.S. natural gas futures fell about 4% on Monday on record output and forecasts for milder weather and lower heating next week than previously expected.

On its first day as the front-month, gas futures for December delivery on the New York Mercantile Exchange fell 13.1 cents, or 3.8%, from where that contract traded on Friday to settle at \$3.352 per million British thermal units (mmBtu) on Monday.

That, however, was still up about 6% from where the November contract closed when it was still the front-month on Friday.

It was also the contract's highest close since Oct. 11 and pushed it into technically overbought territory for the first time since mid-October.

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 172 out of 207 trading days so far this year, according to LSEG data.

Next-day prices at the Henry Hub gained about 13% to around \$3.24 per mmBtu for Monday.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil DEC 23	82.31	-2.93	85.30	81.82
Natural Gas DEC 23	3.352	-0.144	3.405	3.321
RB Gasoline NOV 23	222.00	-9.71	231.23	221.77
Heating Oil NOV 23	236.63	-7.69	304.60	294.20
Brent, Fin Last Day JAN 24	86.62	-2.58	89.18	85.79
US Dollar Index	106.14	-0.424	106.704	106.063

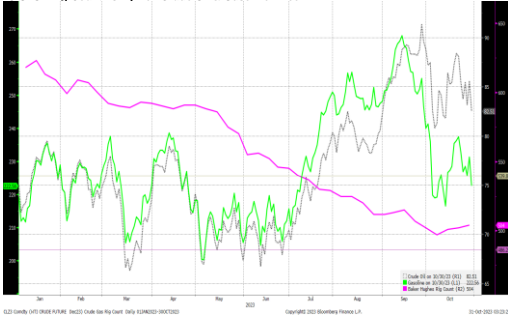
Bloomberg Survey on U.S. Total Change in Inventories

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
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 Inventories	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

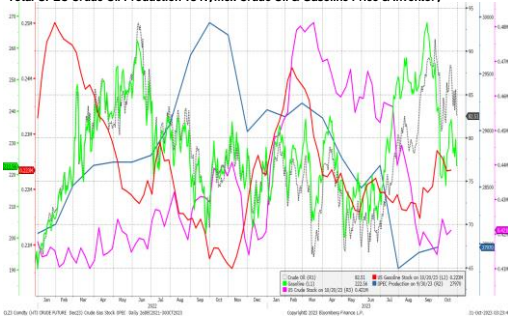
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



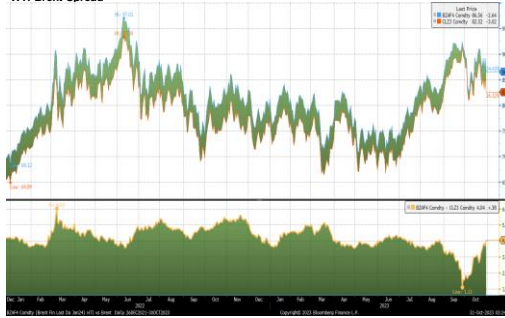
Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

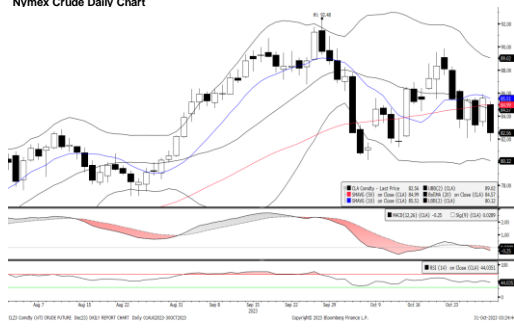


WTI-Brent Spread

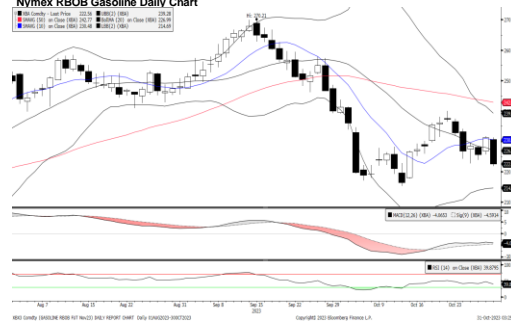


Source: Bloomberg

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	1st Resistance: 83.54	2nd Resistance: 84.78	Natural Gas	1st Resistance: 3.402	2nd Resistance: 3.453	Gasoline	1st Resistance: 225.33	2nd Resistance: 228.66
	1st Support: 81.08	2nd Support: 79.84		1st Support: 3.302	2nd Support: 3.251		1st Support: 218.67	2nd Support: 215.34
	MACD: -0.246			MACD: -0.018			MACD: -4.067	
	MACD DIFF: -0.276			MACD DIFF: -0.006			MACD DIFF: 0.525	
	RSI: 44.132			RSI: 44.150			RSI: 39.865	
Heating Oil	1st Resistance: 301.08	2nd Resistance: 305.53	Brent Fin Last Day	1st Resistance: 87.92	2nd Resistance: 89.22			
	1st Support: 292.18	2nd Support: 287.73		1st Support: 85.32	2nd Support: 84.02			
	MACD: -2.564			MACD: 0.069				
	MACD DIFF: -1.160			MACD DIFF: -0.107				
	RSI: 40.747			RSI: 46.205				

Strategy

Crude Oil	Long: 81.08	Profit target: 81.89	Stop-loss: 80.67	Long: 79.84	Profit target: 80.64	Stop-loss: 79.44	Short: 83.54	Profit target: 82.71	Stop-loss: 83.96	Short: 84.78	Profit target: 83.93	Stop-loss: 85.20
Natural Gas	3.302	3.335	3.285	3.251	3.284	3.235	3.402	3.368	3.419	3.453	3.418	3.470
Gasoline	218.67	220.86	217.58	215.34	217.49	214.26	225.33	223.08	226.46	228.66	226.37	229.80
Heating Oil	292.18	295.10	290.72	287.73	290.61	286.29	301.08	298.07	302.58	305.53	302.47	307.06
Brent Fin Last Day	85.32	86.17	84.89	84.02	84.86	83.60	87.92	87.04	88.36	89.22	88.33	89.66

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