

**Fundamentals:**

Crude prices edged up about 1% to a five-month high on Monday on expectations oil demand will climb following the release of positive economic news from the U.S. and China, while OPEC+ cuts and attacks on Russian refineries tighten global supplies.

Brent futures were up 54 cents, or 0.6%, to \$87.54 a barrel by 1:47 p.m. EDT (1747 GMT), while U.S. West Texas Intermediate (WTI) crude rose 71 cents, or 0.9%, to \$83.86.

That puts both crude benchmarks on track for their highest closes since Oct. 27.

The increase in WTI futures cut the U.S. diesel crack spread, which measures refining profit margins, to its lowest since May 2023 for a second day in a row.

In the U.S., manufacturing grew for the first time in 1-1/2 years in March as production rebounded sharply and new orders increased, but employment at factories remained subdued amid "sizeable layoff activity" and prices for inputs pushed higher.

U.S. Commerce Department data last week showed the personal consumption expenditures (PCE) price index - the Federal Reserve's preferred inflation gauge - largely moderated in February, with the cost of services outside housing and energy slowing significantly.

While some analysts said the increase in prices for manufacturing inputs could give the U.S. central bank some pause on when to cut interest rates, most analysts said the moderation in the PCE price index should keep a June rate cut on the table.

In China, manufacturing activity expanded for the first time in six months in March, according to an official factory survey, supporting oil demand in the world's largest crude importer.

In Japan, optimism in the services sector climbed to a 33-year high in the first quarter on booming tourism and rising profits from price hikes, a central bank survey showed.

In Europe, oil demand was firmer than expected, rising 100,000 barrels per day (bpd) on the year in February, Goldman Sachs analysts said, versus a forecast for a 200,000-bpd contraction in 2024.

On the supply side, top oil exporter Saudi Arabia may raise the official selling price (OSP) for flagship Arab Light crude in May after Middle East benchmarks strengthened last month, according to industry sources.

Russian Deputy Prime Minister Alexander Novak said the country's oil companies will focus on reducing output rather than exports in the second quarter in order to evenly spread production cuts with other members of OPEC+, which brings together the Organization of the Petroleum Exporting Countries and allied producers.

Drone attacks from Ukraine have knocked out several Russian refineries, which is expected to reduce Russia's fuel exports.

Almost 1 million bpd of Russian crude processing capacity is offline from the attacks, affecting its high-sulphur fuel oil exports that are processed at Chinese and Indian refineries.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	MAY 24	83.71	0.76	84.49	82.60
Natural Gas	MAY 24	1.837	0.079	1.853	1.706
RB Gasoline	MAY 24	271.00	-0.96	272.85	268.20
Heating Oil	MAY 24	262.71	1.21	263.84	257.87
Brent Fin Last Day	JUN 24	87.60	0.60	87.99	86.40
US Dollar Index		104.99	0.503	105.075	104.423

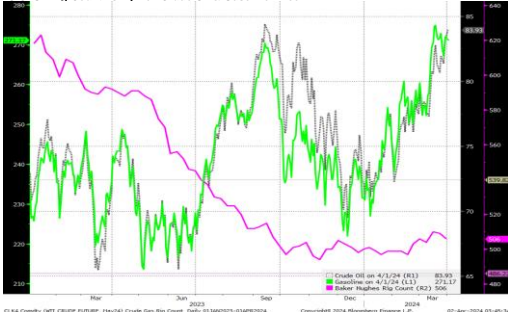
**Bloomberg Survey on U.S. Total Change in Inventories**

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	414063
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	
03/28/2024 22:30	EIA Natural Gas Storage Change	Mar-22	-27	-36	7
03/28/2024 22:30	EIA Working Natural Gas Implied Flow	Mar-22	-27	-36	7
03/29/2024 01:00	Baker Hughes U.S. Rig Count	Mar-29	--	621	624
03/29/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Mar-29	--	112	112
03/29/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Mar-29	--	506	509
04/03/2024 22:30	DOE U.S. Crude Oil Inventories	Mar-29	--	--	3165k
04/03/2024 22:30	DOE Cushing OK Crude Inventory	Mar-29	--	--	2107k
04/03/2024 22:30	DOE U.S. Gasoline Inventories	Mar-29	--	--	1299k
04/03/2024 22:30	DOE U.S. Distillate Inventory	Mar-29	--	--	-1185k
04/03/2024 22:30	DOE U.S. Refinery Utilization	Mar-29	--	--	0.90%
04/03/2024 22:30	DOE Crude Oil Implied Demand	Mar-29	--	--	19350
04/03/2024 22:30	DOE Gasoline Implied Demand	Mar-29	--	--	9501
04/03/2024 22:30	DOE Distillate Implied Demand	Mar-29	--	--	5148.3
04/04/2024 22:30	EIA Natural Gas Storage Change	Mar-29	--	--	-36
04/04/2024 22:30	EIA Working Natural Gas Implied Flow	Mar-29	--	--	-36

**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



**Technical Analysis**

<b>Crude Oil</b>		<b>Natural Gas</b>	
1st Resistance:	84.97	1st Resistance:	1.865
1st Support:	82.45	1st Support:	1.809
MACD:	1.529	MACD:	-0.062
MACD DIFF:	0.188	MACD DIFF:	0.004
RSI:	67.578	RSI:	46.751

<b>Heating Oil</b>		<b>Brent Fin Last Day</b>	
1st Resistance:	266.65	1st Resistance:	88.91
1st Support:	258.77	1st Support:	86.29
MACD:	0.257	MACD:	1.457
MACD DIFF:	-0.664	MACD DIFF:	0.167
RSI:	49.479	RSI:	67.641

<b>Gasoline</b>	
1st Resistance:	275.07
1st Support:	266.94
MACD:	4.683
MACD DIFF:	-0.269
RSI:	59.886

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