

Fundamentals:

Oil prices edged higher on Wednesday after U.S. oil storage data showed a larger-than-expected draw in crude stockpiles as refiners ramped up output ahead of the summer driving season.

Brent crude oil futures increased 31 cents, or 0.37%, to \$83.47 a barrel by 2 p.m. EDT (1800 GMT). U.S. West Texas Intermediate crude futures rose 50 cents, or 0.64%, to \$78.88 a barrel.

U.S. crude inventories fell by 1.4 million barrels to 459.5 million barrels in the week ending May 3, according to the Energy Information Administration (EIA), slightly more than analysts' expectations.

"Stronger refining activity and exports have encouraged a minor draw to crude inventories, helping unwind some of last week's large build," said Matt Smith, lead oil analyst at Kpler.

The EIA, however, expects slower global oil demand growth for the year, a forecast report showed.

A strengthening U.S. dollar limited crude oil prices. A stronger greenback dampens oil demand by making it more expensive for investors holding other currencies.

Hopes of a ceasefire in Gaza have put some downward pressure on oil prices in recent trading sessions, with some analysts saying the risk premium on oil had declined in tandem.

"Taking away the current geopolitical trigger leaves the market staring into a world of sticky inflation in the U.S. that is countered by interest rates that not only keep the U.S. dollar elevated but make any sort of commodity trading more expensive," PVM Oil analyst John Evans said.

The U.S. believes negotiations on a Gaza ceasefire should be able to close the gaps between Israel and Hamas. U.S. Central Intelligence Agency Director William Burns traveled to Israel on Wednesday and met with Israeli Prime Minister Benjamin Netanyahu, an Israeli official said.

Morgan Stanley analysts said they see the geopolitical risk for oil prices dissipating as fears of further escalation in the conflict subside.

Cautious expectations on supply cuts from the Organization of the Petroleum Exporting Countries and its allies (OPEC+) ahead of a June 1 policy meeting also weighed on markets.

Russian Deputy Prime Minister Alexander Novak said on Tuesday that there had been no discussions about an oil output increase by OPEC+.

This came after an earlier statement in the day in which he said the group had the option of increasing production.

U.S. natural gas futures eased about 1% on Wednesday as the market took a break after hitting a 14-week high on worries the tremendous oversupply of gas in storage will increase.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	JUN 24 78.99	0.80	79.27	76.89
Natural Gas	JUN 24 2.187	-0.026	2.274	2.167
RB Gasoline	JUN 24 253.18	-0.46	254.07	248.26
Heating Oil	JUN 24 247.61	1.81	248.72	242.64
Brent Fin Last Day	JUL 24 83.73	0.57	83.82	81.72
US Dollar Index		0.150	105.644	105.389

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

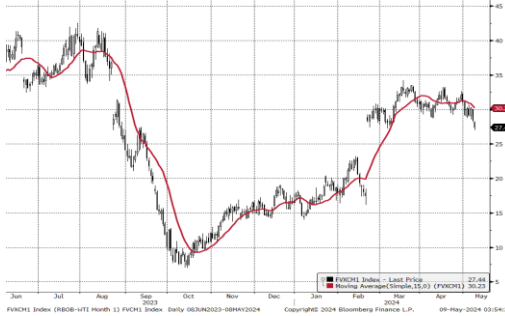
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior	
05/08/2024 22:30	DOE U.S. Crude Oil Inventories	May-03	-366k	-1362k	7265k
05/08/2024 22:30	DOE Cushing OK Crude Inventory	May-03	--	180k	108k
05/08/2024 22:30	DOE U.S. Gasoline Inventories	May-03	-700k	915k	344k
05/08/2024 22:30	DOE U.S. Distillate Inventory	May-03	-800k	560k	-732k
05/08/2024 22:30	DOE U.S. Refinery Utilization	May-03	1.05%	1.00%	-1.00%
05/08/2024 22:30	DOE Crude Oil Implied Demand	May-03	--	20264	18834
05/08/2024 22:30	DOE Gasoline Implied Demand	May-03	--	9603.7	9537.7
05/08/2024 22:30	DOE Distillate Implied Demand	May-03	--	4814	4715.6
05/09/2024 22:30	EIA Natural Gas Storage Change	May-03	87	--	59
05/09/2024 22:30	EIA Working Natural Gas Implied Flow	May-03	87	--	59
05/11/2024 01:00	Baker Hughes U.S. Rig Count	May-10	--	--	605
05/11/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	May-10	--	--	102
05/11/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	May-10	--	--	499

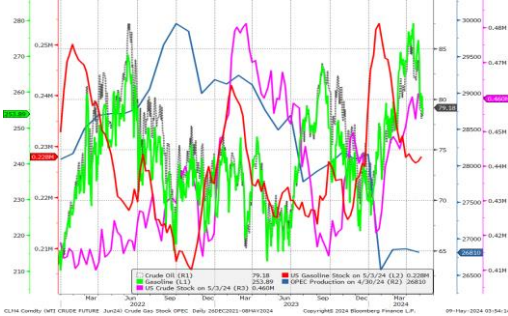
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



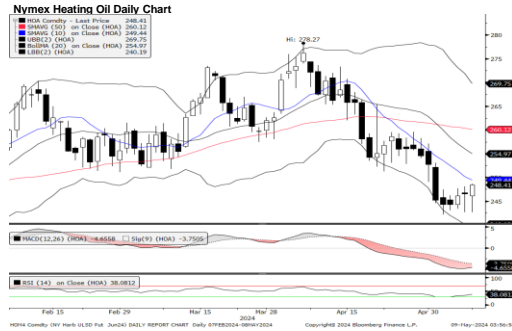
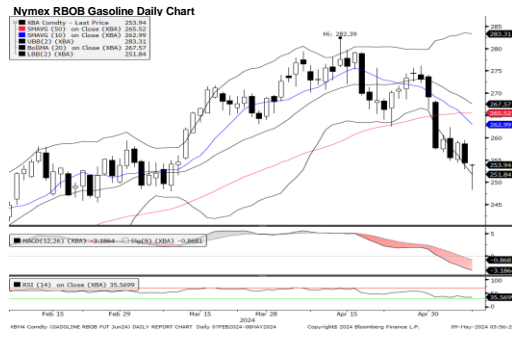
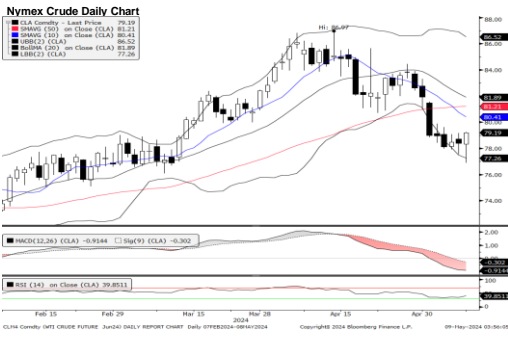
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil
 1st Resistance: 80.17
 1st Support: 77.81
 MACD: -0.916
 MACD DIFF: -0.613
 RSI: 39.798

Natural Gas
 1st Resistance: 2.220
 1st Support: 2.154
 MACD: 0.025
 MACD DIFF: 0.029
 RSI: 58.752

2nd Resistance: 81.36
 2nd Support: 76.62

Gasoline
 1st Resistance: 256.98
 1st Support: 249.38
 MACD: -3.192
 MACD DIFF: -2.322
 RSI: 35.520

Heating Oil
 1st Resistance: 251.32
 1st Support: 243.90
 MACD: -4.660
 MACD DIFF: -0.908
 RSI: 38.007

Brent Fin Last Day
 1st Resistance: 84.99
 1st Support: 82.47
 MACD: -0.740
 MACD DIFF: -0.585
 RSI: 40.456

2nd Resistance: 2.253
 2nd Support: 2.121

2nd Resistance: 260.78
 2nd Support: 245.58

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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