

Fundamentals:

Oil prices fell more than a dollar a barrel on Friday as the dollar strengthened and oil traders booked profits from a strong rally, with crude benchmarks recording their third-straight weekly gain.

Brent crude futures settled at \$79.87 per barrel, down \$1.49, or 1.8%, while the U.S. West Texas Intermediate crude futures fell \$1.47, or 1.9%, to settle at \$75.42 a barrel.

The U.S. dollar index edged higher after hitting a 15-month low during the session, as investors consolidated ahead of the weekend. A stronger greenback reduces oil demand, making crude more expensive for investors holding other currencies.

Next week, however, the rally could resume as easing inflation plans to refill the U.S. strategic reserve, supply cuts and disruptions could support the market, said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management.

Oil prices gained nearly 2% on a weekly basis, after supply disruptions in Libya and Nigeria heightened concerns that the markets will tighten in coming months.

Several oilfields in Libya were shut down on Thursday because of a local tribe's protest against the kidnapping of a former minister. Separately, Shell suspended loadings of Nigeria's Forcados crude oil owing to a potential leak at a terminal.

The Libya disruption is halting an estimated 370,000 barrels per day (bpd) while the loss from the Nigerian outage is pegged at 225,000 bpd, said PVM analyst John Evans.

Russian oil exports have also decreased significantly and, if this trend continues next week, it would probably drive prices up further since Russian oil exports are set to be reduced by 500,000 bpd in August, added Commerzbank analysts.

U.S. natural gas futures held near a three-week low on Friday on forecasts for less hot weather in the U.S. Northeast, a rise in output and reduced amounts of fuel flowing to the country's liquefied natural gas (LNG) export plants as maintenance is ongoing at some facilities.

That lack of price movement came despite forecasts for the country's overall weather to remain hotter than normal through the end of July, especially in Texas.

Power demand in Texas hit a record high for a second day in a row on Thursday, and is expected to top that on Friday and on July 18 and 19, as homes and businesses keep their air conditioners cranked up to cope with a lingering heatwave, according to the Electric Reliability Council of Texas (ERCOT), the state's power grid operator.

Extreme heat boosts the amount of gas generators burn to produce power for cooling, especially in Texas, which gets most of its electricity from gas-fired plants. In 2022, about 49% of the state's power came from gas-fired plants, with most of the rest from wind (22%), coal (16%), nuclear (8%) and solar (4%), according to federal energy data.

Front-month gas futures for August delivery on the New York Mercantile Exchange fell 0.6 cents, or 0.2%, to settle at \$2.539 per million British thermal units (mmBtu), their lowest close since June 20 for a second day in a row.

For the week, the front-month slid about 2% after dropping about 8% last week.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	AUG 23 75.42	-1.63	77.30	75.11
Natural Gas	AUG 23 2.539	0.003	2.606	2.492
RB Gasoline	AUG 23 264.37	-4.20	268.22	263.18
Heating Oil	AUG 23 259.79	-1.78	263.49	257.06
Brent, Fin Last Day SEP 23	79.73	-1.63	81.69	79.57
US Dollar Index	99.98	0.205	100.015	99.578

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
7/7/2023	5946	-50	-4	-1350	12300	458128
30/6/2023	-1508	-2000	-2549	0	12400	452182
23/6/2023	-9603	-1500	603	1000	12200	453690
16/6/2023	-3831	450	479	800	12200	463293
9/6/2023	7919	-1536	2108	1000	12400	467124
2/6/2023	-452	1500	2745	1000	12400	459205
26/5/2023	4489	-1500	-207	-1100	12200	459657
19/5/2023	-2053	2000	-2053	-1600	12300	456168
12/5/2023	5040	-2000	-1381	-2000	12200	467624
5/5/2023	2951	-2500	-3167	-1500	12300	462584
28/4/2023	-1281	-500	1742	-1500	12300	459633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
07/15/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jul-14	--	537	540
07/15/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jul-14	--	133	135
07/15/2023 01:00 Baker Hughes U.S. Rig Count	Jul-14	--	675	680
07/19/2023 22:30 DOE U.S. Crude Oil Inventories	Jul-14	--	--	5946K
07/19/2023 22:30 DOE Cushing OK Crude Inventory	Jul-14	--	--	-1605K
07/19/2023 22:30 DOE U.S. Gasoline Inventories	Jul-14	--	--	-4K
07/19/2023 22:30 DOE U.S. Distillate Inventory	Jul-14	--	--	4815K
07/19/2023 22:30 DOE U.S. Refinery Utilization	Jul-14	--	--	2.80%
07/19/2023 22:30 DOE Crude Oil Implied Demand	Jul-14	--	--	17331
07/19/2023 22:30 DOE Gasoline Implied Demand	Jul-14	--	--	9872.1
07/19/2023 22:30 DOE Distillate Implied Demand	Jul-14	--	--	4469.1
07/20/2023 22:30 EIA Natural Gas Storage Change	Jul-14	--	--	49
07/20/2023 22:30 EIA Working Natural Gas Implied Flow	Jul-14	--	--	49
07/22/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	Jul-21	--	--	537
07/22/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	Jul-21	--	--	133
07/22/2023 01:00 Baker Hughes U.S. Rig Count	Jul-21	--	--	675

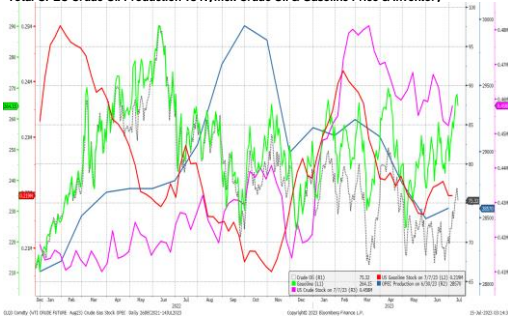
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



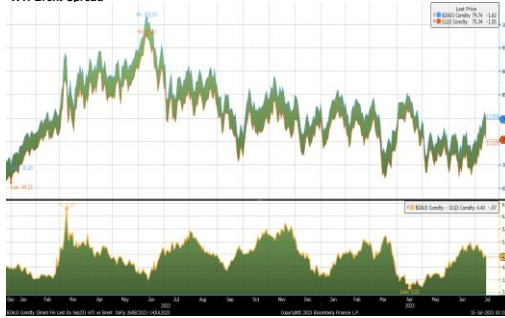
Normalized RBOB Gasoline minus Nymex Crude Oil Price



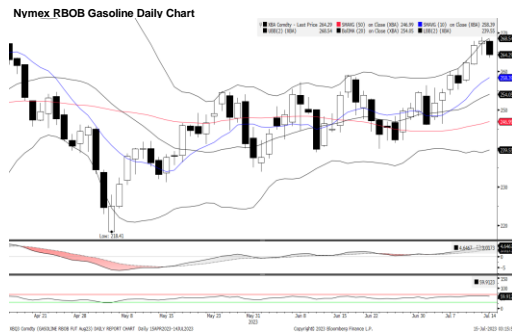
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg



Technical Analysis

Crude Oil		Natural Gas		Gasoline	
1st Resistance:	76.55	1st Resistance:	2.577	1st Resistance:	268.34
1st Support:	74.29	1st Support:	2.501	1st Support:	260.40
MACD:	1.140	MACD:	0.011	MACD:	4.594
MACD DIFF:	0.720	MACD DIFF:	-0.021	MACD DIFF:	1.590
RSI:	58.913	RSI:	46.015	RSI:	59.251
Heating Oil		Brent Fin Last Day			
1st Resistance:	263.69	1st Resistance:	80.93	2nd Resistance:	82.12
1st Support:	255.89	1st Support:	78.53	2nd Support:	77.34
MACD:	5.451	MACD:	1.196		
MACD DIFF:	1.770	MACD DIFF:	0.647		
RSI:	61.805	RSI:	58.968		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	74.29	75.03	73.92	73.16	73.89	72.79	76.55	75.79	76.93	77.68	76.91	78.07
Natural Gas	2.501	2.526	2.488	2.463	2.487	2.451	2.577	2.551	2.590	2.589	2.589	2.628
Gasoline	260.40	263.01	259.10	256.44	259.00	255.16	268.34	265.65	269.68	272.30	269.58	273.66
Heating Oil	255.89	258.45	254.61	252.00	254.52	250.74	263.69	261.05	265.01	267.58	264.91	268.92
Brent Fin Last Day	78.53	79.32	78.14	77.34	78.11	76.95	80.93	80.12	81.33	82.12	81.30	82.53

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