

Fundamentals:

Oil prices hit new peaks on Wednesday with the global Brent benchmark touching its highest since January after a steep drawdown in U.S. fuel stockpiles and Saudi and Russian output cuts offset concerns about slow demand from China.

Brent crude settled \$1.38, or 1.6%, higher at \$87.55 a barrel, its highest since Jan. 27.

West Texas Intermediate crude (WTI) closed \$1.48, or 1.8%, higher at \$84.40, at its highest since November 2022.

U.S. gasoline stocks fell by 2.7 million barrels last week, while distillate inventories, which include diesel and heating oil, dropped by 1.7 million barrels, government data showed, compared with analysts' expectations in a Reuters poll for both to hold mostly steady.

Markets largely shrugged off a higher-than-expected 5.85 million-barrel build in U.S. crude stocks after a record drawdown the week before.

The U.S. fuel stock drawdown helped offset some demand concerns after Chinese data on Tuesday showed crude oil imports in July fell 18.8% from the previous month to their lowest daily rate since January.

China's consumer sector also fell into deflation and factory-gate prices extended declines in July, as the world's second-largest economy struggled to revive demand.

Supporting prices, however, were top exporter Saudi Arabia's plans to extend its voluntary production cut of 1 million barrels per day for another month to include September. Russia also said it would cut oil exports by 300,000 bpd in September.

Crude posted its sixth consecutive weekly gain last week, helped by a reduction in OPEC+ supplies and hopes of stimulus boosting oil demand recovery in China.

On Tuesday, Saudi Arabia's cabinet said it reaffirmed its support for precautionary measures by the Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, to stabilise the market, state media reported.

Markets will also closely watch July's U.S. Consumer Price Index (CPI), due on Thursday, which is expected to show a slight year-over-year acceleration.

U.S. natural gas futures jumped over 6% to a five-month high on Wednesday as sustained hotter-than-normal weather kept air conditioning demand high, especially in Texas.

Front-month gas futures for September delivery on the New York Mercantile Exchange settled 18.2 cents, or 6.6%, higher at \$2.96 per million British thermal units (mmBtu).

Prices rose above \$3 per mmbtu earlier in the session, helped by short-covering from speculators, Saal said.

Gas prices in Europe jumped as much as 39% to 43.31 euros per megawatt hour (MWh) earlier in the session after news of possible strikes at Australian liquefied natural gas (LNG) facilities sparked concerns over cargoes moving to Asia.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil SEP 23	84.40	1.31	84.65	82.67
Natural Gas SEP 23	2.959	0.191	3.018	2.771
RB Gasoline SEP 23	292.94	9.33	293.99	282.92
Heating Oil SEP 23	320.70	12.60	321.72	307.91
Brent Fin Last Day OCT 23	87.42	1.25	87.66	85.94
US Dollar Index	102.50	-0.029	102.581	102.294

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
4/8/2023	5851	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771
21/7/2023	-600	-2250	-796	-1373	12200	456920
14/7/2023	-708	-2500	-1066	-1500	12300	457420
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	479	450	479	800	12200	462393
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	-12456	2000	-2053	-1600	12300	455168

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
08/10/2023 22:30	EIA Natural Gas Storage Change	Aug-04	24	--
08/10/2023 22:30	EIA Working Natural Gas Implied Flow	Aug-04	24	14
08/12/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Aug-11	--	525
08/12/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Aug-11	--	128
08/12/2023 01:00	Baker Hughes U.S. Rig Count	Aug-11	--	659
08/16/2023 22:30	DOE U.S. Crude Oil Inventories	Aug-11	--	5851k
08/16/2023 22:30	DOE Cushing OK Crude Inventory	Aug-11	--	159k
08/16/2023 22:30	DOE U.S. Gasoline Inventories	Aug-11	--	-2661k
08/16/2023 22:30	DOE U.S. Distillate Inventory	Aug-11	--	-1706k
08/16/2023 22:30	DOE U.S. Refinery Utilization	Aug-11	--	1.10%
08/16/2023 22:30	DOE Crude Oil Implied Demand	Aug-11	--	18446
08/16/2023 22:30	DOE Gasoline Implied Demand	Aug-11	--	10242.9
08/16/2023 22:30	DOE Distillate Implied Demand	Aug-11	--	5219.7
08/17/2023 22:30	EIA Natural Gas Storage Change	Aug-11	--	--
08/17/2023 22:30	EIA Working Natural Gas Implied Flow	Aug-11	--	--

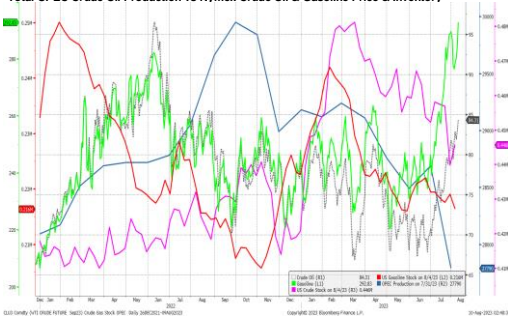
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



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 Natural Gas Daily Chart



Nymex Brent Last Day Daily Chart



Nymex RBOB Gasoline Daily Chart



Nymex Heating Oil Daily Chart



Technical Analysis

Crude Oil	1st Resistance: 85.67	2nd Resistance: 86.93	Natural Gas	1st Resistance: 3.003	2nd Resistance: 3.048	Gasoline	1st Resistance: 297.23	2nd Resistance: 301.63
	1st Support: 83.13	2nd Support: 81.87		1st Support: 2.915	2nd Support: 2.870		1st Support: 288.45	2nd Support: 284.05
	MACD: 2.619			MACD: 0.037			MACD: 8.910	
	MACD DIFF: 0.270			MACD DIFF: 0.026			MACD DIFF: -0.284	
	RSI: 69.208			RSI: 66.275			RSI: 70.517	
Heating Oil	1st Resistance: 325.51	2nd Resistance: 330.32	Brent Fin Last Day	1st Resistance: 88.73	2nd Resistance: 90.04			
	1st Support: 315.89	2nd Support: 311.08		1st Support: 86.11	2nd Support: 84.80			
	MACD: 16.059			MACD: 2.383				
	MACD DIFF: 2.135			MACD DIFF: 0.219				
	RSI: 81.398			RSI: 68.608				

Strategy

Crude Oil	Long: 83.13	Profit target: 83.97	Stop-loss: 82.72	Long: 81.87	Profit target: 82.69	Stop-loss: 81.46	Short: 85.67	Profit target: 84.81	Stop-loss: 86.09	Short: 86.93	Profit target: 86.06	Stop-loss: 87.37	
Natural Gas		2.915	2.944	2.900	2.870	2.899	2.856	3.003	2.973	3.018	3.048	3.017	3.063
Gasoline		288.45	291.33	287.01	284.05	286.90	282.63	297.23	294.26	298.72	301.63	298.61	303.13
Heating Oil		315.89	319.05	314.31	311.08	314.19	309.52	325.51	322.26	327.14	330.32	327.02	331.97
Brent Fin Last Day		86.11	86.97	85.68	84.80	85.65	84.37	88.73	87.84	89.17	90.04	89.14	90.49

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