

Fundamentals:

Oil prices settled down more than \$5 on Wednesday as fuel demand destruction and a bleaker macroeconomic picture took centre stage in the day's trade.

Brent crude oil futures settled down 5.11, or 5.6%, to \$85.81 a barrel while U.S. West Texas Intermediate crude (WTI) fell \$5.01, or 5.6%, to \$84.22.

At their session lows, both benchmarks were down by more than \$5, and heating oil and gasoline futures also fell by more than 5%. Crude oil prices have fallen by about \$10 since last week's settlement.

Finished motor gasoline supplied, a proxy for demand, fell last week to about 8 million bpd, its lowest since the start of this year, the U.S. Energy Information Administration (EIA) reported Wednesday.

Seasonally, U.S. gasoline consumption is at the lowest level in 22 years, according to commodity analysts at JP Morgan.

A 30% spike in fuel prices in the third quarter of this year depressed demand, resulting in a counter seasonal plunge of 223,000 barrels per day, the analysts wrote in a Wednesday note.

Gasoline stocks rose by 6.5 million barrels, far exceeding expectations of a 200,000-barrel rise.

U.S. nationwide crude stocks fell by 2.2 million barrels to 414.1 million barrels in the week to Sept. 29, but stocks at Cushing, Oklahoma, the WTI delivery hub, rose for the first time in eight weeks.

Saudi Arabia's energy ministry confirmed it will continue its voluntary 1 million barrel per day (bpd) crude supply cut until year end, while Russia said it will continue its 300,000 bpd crude export cuts, and in November will review its voluntary 500,000 bpd output cut set in April.

But crack spreads, a proxy for refining margins, fell below \$20 a barrel on Wednesday to the lowest level in about 1.5 years.

Economic news also pressured oil prices. Growth in the U.S. services sector slowed in September, data showed.

The daily Kommersant reported that Russia could be ready to ease its diesel ban in coming days, citing unidentified sources.

The OPEC+ Joint Ministerial Monitoring Committee (JMCC) online meeting kept the group's output policy unchanged.

Oil markets are heading in the "right direction" by balancing supply and demand, Kuwait's oil minister Saad Al Barrak said, according to state media agency KUNA.

Russian Deputy Prime Minister Alexander Novak said the Saudi and Russian cuts have helped to balance oil markets, and said the domestic market benefited from the Kremlin's diesel and gasoline export ban.

U.S. natural gas futures edged up less than 1% to a seven-month high on Wednesday on lower output and rising exports.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil NOV 23	84.22	-4.81	89.59	84.16
Natural Gas NOV 23	2.962	0.046	3.055	2.935
RB Gasoline NOV 23	219.80	-16.08	234.57	219.40
Heating Oil NOV 23	301.78	-16.89	319.75	300.23
Brent, Fin Last Day DEC 23	86.06	-4.86	91.19	85.73
US Dollar Index	106.75	-0.254	107.243	106.509

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
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	-6307	-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	-262	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771
21/7/2023	-600	-2250	-786	-1373	12200	456820
14/7/2023	-708	-2500	-1066	-1500	12300	457420

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/04/2023 22:30	DOE U.S. Crude Oil Inventories	Sep-29	50k	-2224k
10/04/2023 22:30	DOE Cushing OK Crude Inventory	Sep-29	--	132k
10/04/2023 22:30	DOE U.S. Gasoline Inventories	Sep-29	-300k	6481k
10/04/2023 22:30	DOE U.S. Distillate Inventory	Sep-29	-68k	-1269k
10/04/2023 22:30	DOE U.S. Refinery Utilization	Sep-29	-0.50%	-2.20%
10/04/2023 22:30	DOE Crude Oil Implied Demand	Sep-29	--	19433
10/04/2023 22:30	DOE Gasoline Implied Demand	Sep-29	--	8850.7
10/04/2023 22:30	DOE Distillate Implied Demand	Sep-29	--	4955.3
10/05/2023 22:30	EIA Natural Gas Storage Change	Sep-29	94	--
10/05/2023 22:30	EIA Working Natural Gas Implied Flow	Sep-29	94	--
10/07/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-06	--	502
10/07/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-06	--	116
10/07/2023 01:00	Baker Hughes U.S. Rig Count	Oct-06	--	623

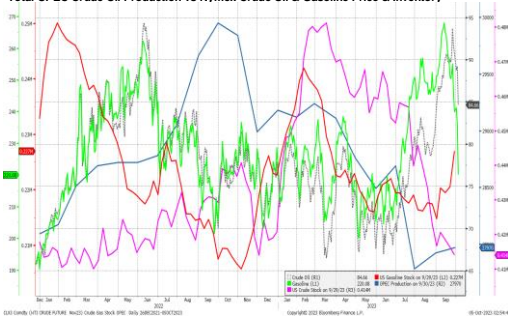
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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

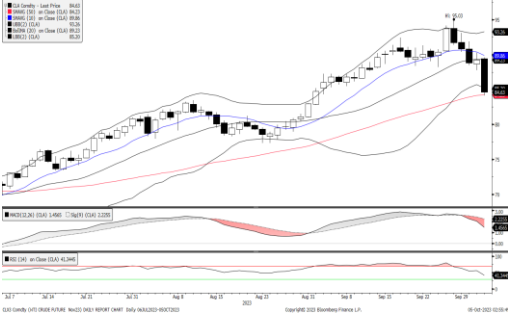


WTI-Brent Spread

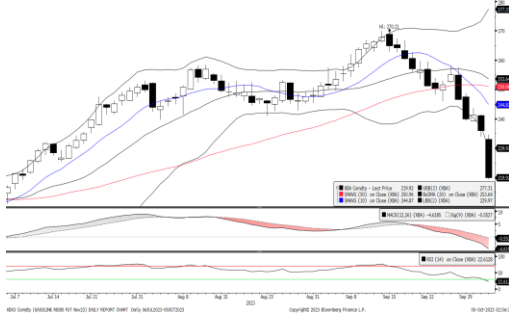


Source: Bloomberg

Nymex Crude Daily Chart



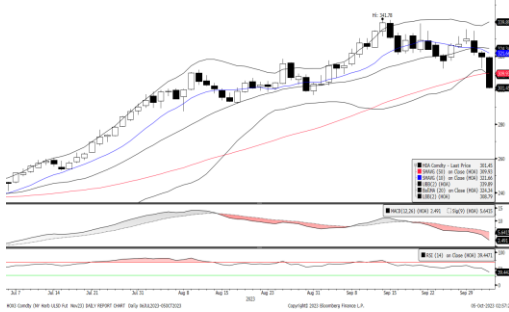
Nymex RBOB Gasoline Daily Chart



Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil	1st Resistance: 85.48	2nd Resistance: 86.75	Natural Gas	1st Resistance: 3.006	2nd Resistance: 3.051	Gasoline	1st Resistance: 223.10	2nd Resistance: 226.39
	1st Support: 82.96	2nd Support: 81.69		1st Support: 2.918	2nd Support: 2.873		1st Support: 216.50	2nd Support: 213.21
	MACD: 1.440			MACD: -0.040			MACD: -4.618	
	MACD DIFF: -0.782			MACD DIFF: 0.012			MACD DIFF: -4.065	
	RSI: 40.858			RSI: 51.334			RSI: 22.620	
Heating Oil	1st Resistance: 306.31	2nd Resistance: 310.83	Brent Fin Last Day	1st Resistance: 87.35	2nd Resistance: 88.64			
	1st Support: 297.25	2nd Support: 292.73		1st Support: 84.77	2nd Support: 83.48			
	MACD: 2.596			MACD: 0.928				
	MACD DIFF: -3.074			MACD DIFF: -0.834				
	RSI: 40.041			RSI: 35.976				

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	82.96	83.79	82.54	81.69	82.51	81.28	85.48	84.63	85.91	86.75	85.88	87.18
Natural Gas		2.947	2.903	2.873	2.902	2.859	3.006	2.976	3.021	3.051	3.020	3.066
Gasoline	216.50	218.67	215.42	213.21	215.34	212.14	223.10	220.87	224.21	226.39	224.13	227.53
Heating Oil	297.25	300.23	295.77	292.73	295.65	291.26	306.31	303.24	307.84	310.83	307.73	312.39
Brent Fin Last Day	84.77	85.62	84.35	83.48	84.31	83.06	87.35	86.48	87.79	88.64	87.76	89.09

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