

Fundamentals:

Oil prices rose 1% on Friday, but looked set for a weekly loss after strong U.S. economic data reinforced expectations that interest rates might remain elevated for an extended period and curb fuel demand.

The Brent crude July contract rose 87 cents to \$82.22 a barrel as of 1:40 p.m. ET (1740 GMT). The more-active August contract was up 84 cents at \$81.95.

U.S. West Texas Intermediate (WTI) crude futures rose 93 cents to \$77.80, on some expectations of high summer travel demand starting this weekend.

On Thursday, Brent closed at its weakest since Feb. 7 and U.S. WTI futures at their lowest since Feb. 23.

Brent was on track to close down 2.1% for the week. It declined for four straight sessions this week, its longest losing streak since Jan 2. WTI was set to close down 2.8% for the week.

"Petroleum prices remain soft in early Friday dealings, with worries over Federal Reserve interest rate policy and last week's bump in US crude oil inventories still weighing on market sentiment," said Tim Evans, an independent energy analyst.

Minutes of the Fed's latest policy meeting released on Wednesday showed policymakers questioning whether interest rates were high enough to tame stubborn inflation. Some officials were willing to raise borrowing costs again if inflation surged.

Fed Chair Jerome Powell and other policymakers have since said they feel further increases are unlikely.

Higher interest rates increase the cost of borrowing, which can slow economic activity and dampen demand for oil.

Consumer sentiment also fell to a five-month low on mounting fears about borrowing costs staying high. At face value, pessimism among households would imply slower consumer spending, though the relationship between the two has been weak.

"Macroeconomic developments have been failing to provide meaningful support for oil," PVM analyst Tamas Varga said. "It is a fair bet that rate cuts are slipping away."

The market is awaiting a June 2 online meeting of the OPEC+ producer group comprising the Organization of the Petroleum Exporting Countries and its allies to discuss whether to extend voluntary oil output cuts of 2.2 million barrels per day.

Analysts largely anticipate that current production cuts will be extended at least to the end of September.

Russia, in a rare admission of oil overproduction, said this week it exceeded its OPEC+ production quota in April for "technical reasons," a surprise that analysts and industry sources say shows Moscow's challenges in curbing output.

"After the OPEC+ meeting, the market is likely to increasingly focus on demand again. The upcoming Memorial Day weekend marks the start of the summer driving season in the U.S.," said Commerzbank analyst Barbara Laittrich.

U.S. gasoline product supplied, a proxy for demand, reached its highest level since November in the week to May 17, the Energy Information Administration (EIA) said on Wednesday.

Meanwhile, the dollar was set for its largest weekly rise in a month-and-a-half on Friday, making dollar-denominated crude more expensive for foreign buyers.

U.S. natural gas futures fell about 3% on Friday to a one-week low on forecasts for lower demand in two weeks, an ongoing oversupply of gas in storage and signs recent high prices have prompted drillers to stop cutting output and start pulling more gas out of the ground.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	JUL 24	77.72	0.87	78.05	76.15
Natural Gas	JUN 24	2.520	-0.120	2.709	2.513
RB Gasoline	JUN 24	248.42	1.85	250.21	245.01
Heating Oil	JUN 24	241.35	0.35	243.02	238.97
Brent Fin Last Day	JUL 24	82.12	0.76	82.45	80.66
US Dollar Index		104.72	-0.391	105.119	104.638

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	58	-5960	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622

Fundamental Data:

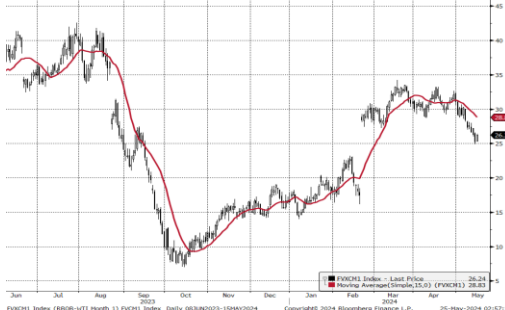
Event	Period	Avg Survey	Actual	Prior	
05/23/2024 22:30	EIA Natural Gas Storage Change	May-17	83	78	70
05/23/2024 22:30	EIA Working Natural Gas Implied Flow	May-17	83	78	70
05/25/2024 01:00	Baker Hughes U.S. Rig Count	May-24	--	600	604
05/25/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	May-24	--	99	103
05/25/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	May-24	--	497	497
05/30/2024 22:30	EIA Natural Gas Storage Change	May-24	--	--	78
05/30/2024 22:30	EIA Working Natural Gas Implied Flow	May-24	--	--	78
05/30/2024 23:00	DOE U.S. Crude Oil Inventories	May-24	-2000k	--	1825k
05/30/2024 23:00	DOE Cushing OK Crude Inventory	May-24	--	--	1325k
05/30/2024 23:00	DOE U.S. Gasoline Inventories	May-24	-1376k	--	-945k
05/30/2024 23:00	DOE U.S. Distillate Inventory	May-24	300k	--	379k
05/30/2024 23:00	DOE U.S. Refinery Utilization	May-24	0.50%	--	1.30%
05/30/2024 23:00	DOE Crude Oil Implied Demand	May-24	--	--	19502
05/30/2024 23:00	DOE Gasoline Implied Demand	May-24	--	--	10084.4
05/30/2024 23:00	DOE Distillate Implied Demand	May-24	--	--	5107.9

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



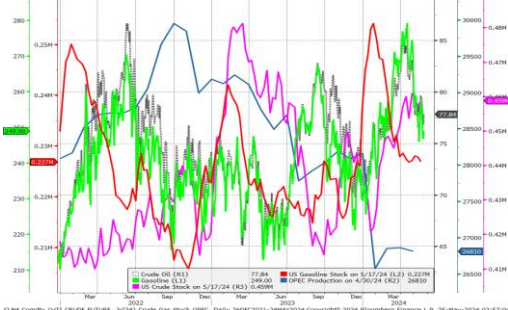
CLM Comdty (WTI) CRUDE FUTURE Jul24 Crude Gas Rig Count Daily 03/24/2023-15/05/2024 Copyright 2024 Bloomberg Finance L.P. 25-May-2024 02:56:47

Normalized RBOB Gasoline minus Nymex Crude Oil Price



FVCH1 Index (RBOB-WTI) month 13 FVCH1 Index Daily 06/02/2023-15/05/2024 Copyright 2024 Bloomberg Finance L.P. 25-May-2024 02:57:19

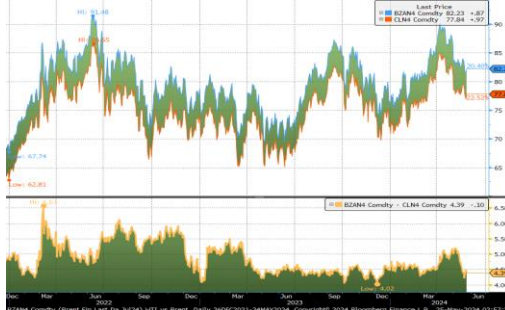
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



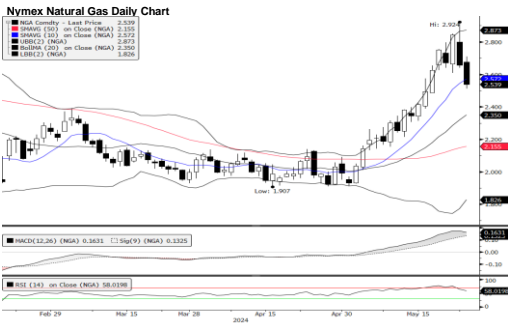
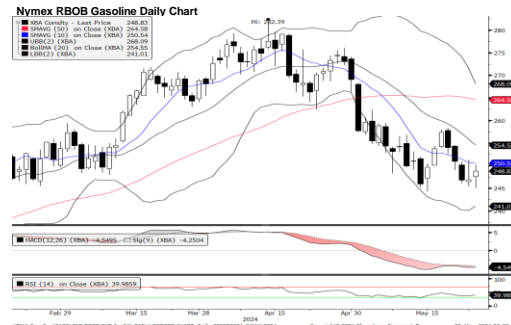
CLM Comdty (WTI) CRUDE FUTURE Jul24 Crude Gas Stock OPEC Daily 24/06/2021-24/05/2024 Copyright 2024 Bloomberg Finance L.P. 25-May-2024 02:57:04

Source: Bloomberg

WTI-Brent Spread



CLM Comdty (Brent Fin Last Day) Jul24 WTI vs Brent Daily 24/06/2021-24/05/2024 Copyright 2024 Bloomberg Finance L.P. 25-May-2024 02:57:31



Technical Analysis

Crude Oil		Natural Gas	
1st Resistance:	78.89	1st Resistance:	2.558
1st Support:	76.55	1st Support:	2.482
MACD:	-0.827	MACD:	0.163
MACD DIFF:	-0.054	MACD DIFF:	0.031
RSI:	42.094	RSI:	57.924

Heating Oil		Brent Fin Last Day	
1st Resistance:	244.98	1st Resistance:	83.35
1st Support:	237.74	1st Support:	80.89
MACD:	-3.694	MACD:	-0.973
MACD DIFF:	0.209	MACD DIFF:	-0.116
RSI:	35.549	RSI:	40.111

Gasoline	
1st Resistance:	252.15
1st Support:	244.69
MACD:	-4.554
MACD DIFF:	-0.301
RSI:	39.921

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