

**Fundamentals:**

Oil prices climbed 1% on Wednesday, rebounding from four-month lows, as hopes of an interest rate cut by the U.S. Federal Reserve in September outweighed demand concern after data showed builds in U.S. crude and fuel stocks.

Brent crude futures settled 89 cents higher, or 1.2%, at \$78.41 a barrel, while U.S. West Texas Intermediate crude futures climbed 82 cents, or 1.1%, to \$74.07.

U.S. crude stocks jumped by 1.2 million barrels in the week to May 31, compared with analysts' estimates for a draw of 2.3 million barrels, data from the U.S. Energy Information Administration showed.

However, the build was below the American Petroleum Institute's reading on Tuesday of an increase of more than 4 million barrels.

Gasoline inventories rose by 2.1 million barrels versus expectations for an increase of 2 million barrels, adding to demand concerns as the week reflected fuel usage around the Memorial Day holiday, which is traditionally viewed as the start of the U.S. summer driving season.

Distillate stocks rose by 3.2 million barrels compared with estimates of an increase of 2.5 million, EIA data showed.

Meanwhile, the U.S. Federal Reserve will cut its key interest rate in September and once more this year, according to a majority of forecasters in a Reuters poll.

Traders now see a nearly 69% chance of a September rate reduction, according to the CME's FedWatch tool. Expectations had hovered around 50% last week.

Lower interest rates decrease the cost of borrowing, which can incentivize economic activity and boost oil demand.

U.S. stock indexes also climbed on Wednesday, as investors strengthened bets for an earlier-than-expected start to the Federal Reserve's policy easing cycle.

Both contracts have fallen for five straight sessions, and declined more than 1% on Tuesday to their lowest settlement levels since early February.

The slide followed news from the Organization of the Petroleum Exporting Countries (OPEC) and its allies, a group known as OPEC+, of plans to increase supply from the fourth quarter despite recent signs of weakening demand growth.

Saudi Arabia's energy minister, Prince Abdulaziz bin Salman, has said OPEC+ would pause the unwinding of the cuts or reverse them if demand wasn't strong enough to absorb the barrels.

The U.S. could hasten the rate at which it replenishes the country's Strategic Petroleum Reserve, Energy Secretary Jennifer Granholm told Reuters on Tuesday, adding that she believes the global oil market is well supplied.

Weighting on prices, however, was a cut, the first in five months, in Saudi Arabia's official selling price for its flagship Arab Light crude oil to Asia.

The price reduction for Asia underscores the pressure faced by OPEC producers as non-OPEC supply continues to grow and demand concerns.

US natural gas futures rose as forecasts shifted slightly warmer and traders anticipated demand for air conditioning.

(Source: Reuters)

**Energy Table**

Contract	Sett	Chg	High	Low
Nymex Crude Oil	JUL 24 74.07	0.91	74.24	72.82
Natural Gas	JUL 24 2.757	0.184	2.787	2.605
RB Gasoline	JUL 24 235.36	0.63	236.36	232.62
Heating Oil	JUL 24 230.11	1.98	231.43	227.88
Brent Fin Last Day	AUG 24 78.46	0.94	78.55	77.14
US Dollar Index	AUG 24 104.27	0.160	104.46	104.125

**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

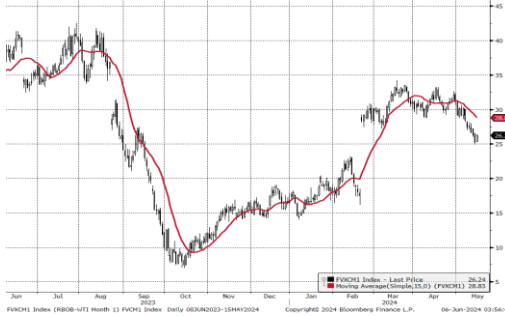
**Fundamental Data:**

Event	Period	Avg Survey	Actual	Prior	
06/05/2024 22:30	DOE U.S. Crude Oil Inventories	May-31	-2300k	1233k	-4156k
06/05/2024 22:30	DOE Cushing OK Crude Inventory	May-31	--	854k	-1766k
06/05/2024 22:30	DOE U.S. Gasoline Inventories	May-31	1700k	2102k	2022k
06/05/2024 22:30	DOE U.S. Distillate Inventory	May-31	2170k	3197k	2544k
06/05/2024 22:30	DOE U.S. Refinery Utilization	May-31	0.00%	1.10%	2.60%
06/05/2024 22:30	DOE Crude Oil Implied Demand	May-31	--	19982	20463
06/05/2024 22:30	DOE Gasoline Implied Demand	May-31	--	9837.4	10102.9
06/05/2024 22:30	DOE Distillate Implied Demand	May-31	--	4746.3	4831.6
06/06/2024 22:30	EIA Natural Gas Storage Change	May-31	92	--	84
06/06/2024 22:30	EIA Working Natural Gas Implied Flow	May-31	92	--	84
06/08/2024 01:00	Baker Hughes U.S. Rig Count	Jun-07	--	--	600
06/08/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-07	--	--	100
06/08/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-07	--	--	496

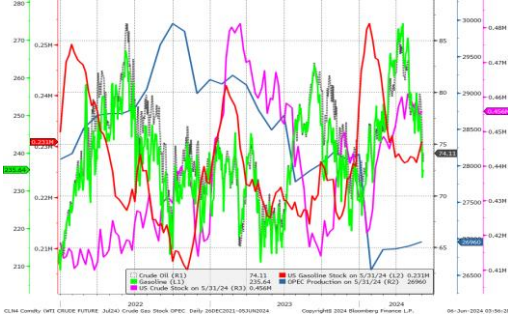
**U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price**



**Normalized RBOB Gasoline minus Nymex Crude Oil Price**



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



**WTI-Brent Spread**

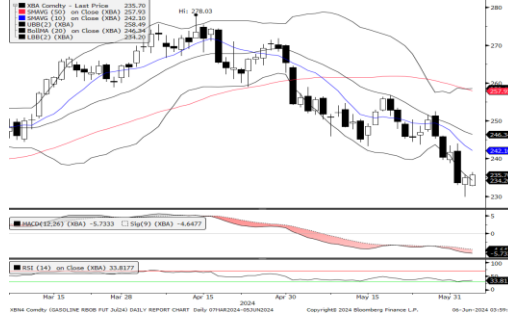


Source: Bloomberg

**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		Natural Gas		Gasoline	
1st Resistance:	75.18	1st Resistance:	2.798	1st Resistance:	238.89
1st Support:	72.96	1st Support:	2.716	1st Support:	231.83
MACD:	-1.350	MACD:	0.062	MACD:	-5.727
MACD DIFF:	-0.422	MACD DIFF:	-0.022	MACD DIFF:	-1.080
RSI:	34.905	RSI:	55.293	RSI:	33.945
2nd Resistance: 76.29		2nd Resistance: 2.840		2nd Resistance: 242.42	
2nd Support: 71.85		2nd Support: 2.674		2nd Support: 228.30	

Heating Oil		Brent Fin Last Day	
1st Resistance:	233.56	1st Resistance:	79.64
1st Support:	226.66	1st Support:	77.28
MACD:	-5.535	MACD:	-1.361
MACD DIFF:	-1.331	MACD DIFF:	-0.418
RSI:	29.856	RSI:	34.727
2nd Resistance: 237.01		2nd Resistance: 80.81	
2nd Support: 223.21		2nd Support: 76.11	

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