

Fundamentals:

Oil prices rose about 1% on Monday, spurred by the prospect of strong summer driving demand and as tensions in the Middle East and drone attacks on Russian refineries led to concerns about supply.

An easing U.S. dollar added to the crude price strength.

Brent futures for August delivery settled at \$86.01 a barrel, gaining 77 cents, or 0.9% U.S. crude settled at \$81.63 a barrel, gaining 90 cents, or 1.1%

Both benchmarks advanced about 3% last week for their second consecutive weekly upswing.

"The chief underlying reason behind the price strength ... is the growing confidence that global oil inventories will inevitably plunge during the summer in the northern hemisphere," said Tamas Varga of oil broker PVM, referring to seasonal demand for oil products.

After last week's big decline in U.S. crude and gasoline inventories, traders are waiting to see whether the report due on Wednesday will provide further evidence of sustained strong gasoline demand, said Bob Yawger, director of energy futures at Michiro in New York.

"It has to sustain for this positive narrative to continue in the market," said Yawger, adding that the growing electric vehicle market is eroding gasoline's share of the transportation market.

The gasoline-led rally could taper off in the coming weeks as inflation eats into summer travel spending, said Jim Ritterbusch of Ritterbusch and Associates. "We still expect a significant falloff in demand next month especially with the recent uplift in retail pricing further curtailing vacation plans," Ritterbusch said.

Geopolitical risks in the Middle East and an increase in Ukrainian drone attacks on Russian refineries also underpinned oil prices.

EU countries on Monday agreed on a new package of sanctions against Russia over its war in Ukraine, including a ban on reloading Russian liquefied natural gas (LNG) in the EU for further shipment to third countries.

An easing U.S. currency made dollar-denominated commodities such as oil more attractive to buyers using other currencies.

The dollar weakened from a near eight-week high as traders went back on alert for intervention to support the yen after the Japanese currency danced with the 160 per dollar level.

The dollar index, measuring performance against six major currencies, had climbed on Friday and was up slightly on Monday after data showed U.S. business activity at a 26-month high in June.

In Ecuador, state oil company Petroecuador has declared force majeure on deliveries of Napo heavy crude for export after the shutdown of a pipeline and oil wells owing to heavy rain, sources said on Friday.

U.S. natural gas futures climbed about 4% on Monday on forecasts for more hot weather and cooling demand. (Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	AUG 24 81.63	0.97	81.78	80.23
Natural Gas	JUL 24 2.811	0.125	2.830	2.635
RB Gasoline	JUL 24 251.15	0.03	252.16	248.59
Heating Oil	JUL 24 252.14	3.45	252.68	247.08
Brent Fin Last Day	AUG 24 86.10	0.86	86.17	84.73
US Dollar Index	105.47	-0.331	105.9	105.374

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
13/11/2023	-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

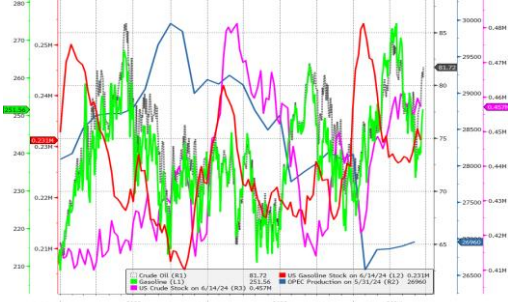
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
06/21/2024 22:30	EIA Natural Gas Storage Change	Jun-14	69	71
06/21/2024 22:30	EIA Working Natural Gas Implied Flow	Jun-14	69	74
06/22/2024 01:00	Baker Hughes U.S. Rig Count	Jun-21	--	588
06/22/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-21	--	98
06/22/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-21	--	485
06/26/2024 22:30	DOE U.S. Crude Oil Inventories	Jun-21	--	--
06/26/2024 22:30	DOE Cushing OK Crude Inventory	Jun-21	--	--
06/26/2024 22:30	DOE U.S. Gasoline Inventories	Jun-21	--	--
06/26/2024 22:30	DOE U.S. Distillate Inventory	Jun-21	--	--
06/26/2024 22:30	DOE U.S. Refinery Utilization	Jun-21	--	--
06/26/2024 22:30	DOE Crude Oil Implied Demand	Jun-21	--	--
06/26/2024 22:30	DOE Gasoline Implied Demand	Jun-21	--	--
06/26/2024 22:30	DOE Distillate Implied Demand	Jun-21	--	--
06/27/2024 22:30	EIA Natural Gas Storage Change	44348	--	71
06/27/2024 22:30	EIA Working Natural Gas Implied Flow	44348	--	71

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



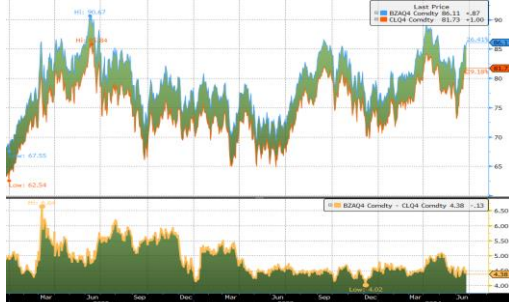
Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



Normalized RBOB Gasoline minus Nymex Crude Oil Price



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:	82.85	1st Resistance:	2.853	1st Resistance:	254.92
2nd Resistance:	84.08	2nd Resistance:	2.769	2nd Resistance:	247.38
1st Support:	80.41	1st Support:	0.051	1st Support:	-0.371
2nd Support:	79.18	2nd Support:	-0.026	2nd Support:	2.079
MACD:	0.758	MACD DIFF:	52.210	MACD DIFF:	58.011
MACD DIFF:	0.684	RSI:		RSI:	
RSI:	64.632				

Heating Oil		Brent Fin Last Day	
1st Resistance:	255.92	1st Resistance:	87.39
2nd Resistance:	259.70	2nd Resistance:	88.68
1st Support:	248.36	1st Support:	84.61
2nd Support:	244.58	2nd Support:	83.52
MACD:	1.235	MACD:	0.706
MACD DIFF:	1.978	MACD DIFF:	0.697
RSI:	59.613	RSI:	64.183

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