

Fundamentals:

Oil prices rose about 1% on Wednesday despite a surprise jump in U.S. gasoline supplies, as investors worried that a potential expansion of the Gaza war could disrupt crude supplies from the Middle East.

Brent crude futures rose 22 cents, or 0.3%, to \$85.23 per barrel by 2:35 p.m. ET (1835 GMT) . U.S. West Texas Intermediate crude futures settled 7 cents higher at \$80.90 a barrel.

Cross-border strains between Israel and Lebanon's Hezbollah have been escalating in recent weeks, stoking fears of an all-out Israel-Hezbollah war that could draw in other regional powers, including major oil producer Iran.

"The geopolitical risk premium has been coming back to the market as a war between Israel and Lebanon is likely to see direct involvement of Iran, that would be a concern," Andrew Lipow of Houston-based Lipow Oil Associates said.

Turkish President Tayyip Erdogan said his country stood in solidarity with Lebanon and called on regional countries' support.

Houthi attacks on shipping in the Red Sea have supported oil prices. The group said it targeted a ship in Israel's Haifa port with a number of drones in a joint military operation with the Islamic Resistance in Iraq.

Early in the session, oil prices fell after the U.S. Energy Information Administration (EIA) reported a 3.6 million barrel jump in the country's crude oil stocks last week, surprising analysts polled by Reuters who had expected a drawdown.

U.S. stockpiles are rising while inventories elsewhere are declining, UBS analyst Giovanni Staunovo noted.

"I would call the oil market a tale of different stories," Staunovo said. "We saw oil inventory draws in Japan and Europe last week. So it seems the market is tightening, just not yet in the U.S."

UBS expects oil prices to rise in coming weeks.

Oil traders have worried about weak U.S. gasoline consumption during the country's peak summer driving season.

U.S. gasoline use represents around 10% of total world oil consumption, and gasoline demand in the country last week was down 3.6% from a year ago to around 8.9 million barrels a day. Stocks of the fuel rose unexpectedly even as refiners cut back output.

"These statistics are certainly going to disappoint the gasoline bulls," Lipow said. "Absent a hurricane, we have adequate supplies for the summer driving season with July 4th right around the corner."

U.S. natural gas futures fell about 3% to a three-week low on Wednesday on signs producers were slowly boosting output to meet rising summer demand and as the amount of gas in storage remains well above normal levels.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	AUG 24	80.90	-0.07	81.63	80.18
Natural Gas	JUL 24	2.628	-0.128	2.746	2.613
RB Gasoline	JUL 24	254.46	2.42	255.58	249.63
Heating Oil	JUL 24	253.75	2.27	255.82	250.90
Brent Fin Last Day	SEP 24	84.32	0.10	85.03	83.73
US Dollar Index		106.09	0.481	106.13	105.609

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

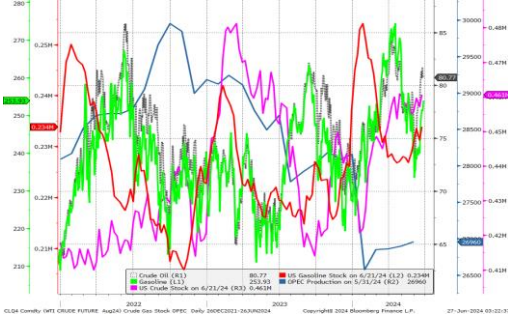
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
06/26/2024 22:30	DOE U.S. Crude Oil Inventories	Jun-21	-2820k	3591k -2547k
06/26/2024 22:30	DOE Cushing OK Crude Inventory	Jun-21	--	-226k 307k
06/26/2024 22:30	DOE U.S. Gasoline Inventories	Jun-21	-1500k	2654k -2280k
06/26/2024 22:30	DOE U.S. Distillate Inventory	Jun-21	-1050k	-377k -1726k
06/26/2024 22:30	DOE U.S. Refinery Utilization	Jun-21	-0.20%	-1.30% -1.50%
06/26/2024 22:30	DOE Crude Oil Implied Demand	Jun-21	--	1929k 2061k
06/26/2024 22:30	DOE Gasoline Implied Demand	Jun-21	--	9845 10395.1
06/26/2024 22:30	DOE Distillate Implied Demand	Jun-21	--	5088.9 5156.6
06/27/2024 22:30	EIA Natural Gas Storage Change	Jun-21	54	-- 71
06/27/2024 22:30	EIA Working Natural Gas Implied Flow	Jun-21	54	-- 71

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



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

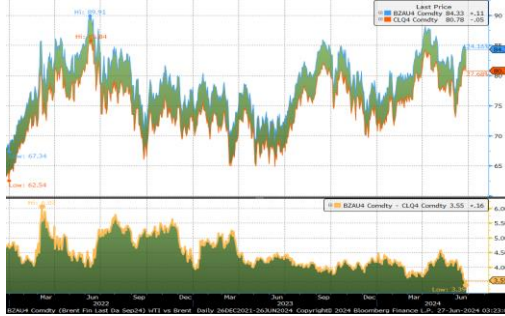


Source: Bloomberg

Normalized RBOB Gasoline minus Nymex Crude Oil Price



WTI-Brent Spread



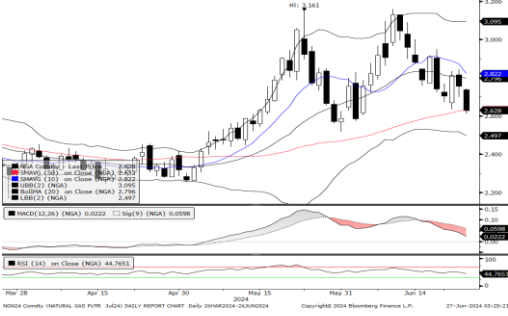
Nymex Crude Daily Chart



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: 82.11	1st Resistance: 2.667	1st Resistance: 258.28
2nd Resistance: 83.33	2nd Resistance: 2.707	2nd Resistance: 262.09
1st Support: 79.69	1st Support: 2.599	1st Support: 250.64
2nd Support: 78.47	2nd Support: 2.549	2nd Support: 246.83
MACD: 0.861	MACD: 0.022	MACD: 0.656
MACD DIFF: 0.511	MACD DIFF: -0.038	MACD DIFF: 2.081
RSI: 59.615	RSI: 44.770	RSI: 61.196

Heating Oil	Brent Fin Last Day
1st Resistance: 257.56	1st Resistance: 85.58
2nd Resistance: 261.36	2nd Resistance: 86.85
1st Support: 249.94	1st Support: 83.06
2nd Support: 246.14	2nd Support: 81.79
MACD: 1.759	MACD: 0.690
MACD DIFF: 1.860	MACD DIFF: 0.454
RSI: 59.875	RSI: 58.160

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.