

Fundamentals:

Oil prices climbed about 2% on Monday on hopes of rising demand during the Northern Hemisphere's peak summer driving season and worries that OPEC+ production cuts could result in supply deficits later in the year.

On its first day as the front-month contract, Brent futures for September delivery were up \$1.25, or 1.5%, from where that contract closed on Friday to \$86.25 a barrel at 11:48 a.m. EDT (1548 GMT) on Monday.

U.S. West Texas Intermediate crude for August delivery rose \$1.27, or 1.6%, to \$82.81 per barrel, putting the contract on track for its highest close since April 26.

Both contracts gained about 6% in June, with Brent closing at an eight-week high on Friday when the higher-priced August contract was still the front-month contract.

Those monthly gains occurred after the Organization of the Petroleum Exporting Countries (OPEC) and its allies, a group known as OPEC+, extended most of its deep oil output cuts well into 2025.

That led analysts to forecast supply deficits in the third quarter as transportation and demand for air-conditioning during the summer eat into fuel stockpiles.

In the U.S., the world's biggest producer and consumer of oil, oil production and demand for major products both rose to four-month highs in April, supporting prices.

Investors' focus will turn to remarks from U.S. Federal Reserve Chair Jerome Powell on Tuesday, followed by the release of minutes from the U.S. central bank's latest policy meeting on Wednesday and U.S. nonfarm payrolls data due on Friday.

The Fed hiked interest rates aggressively in 2022 and 2023 to tame a surge in inflation. The higher rates boosted borrowing costs for consumers and businesses, which can slow economic growth and reduce demand for oil.

Hopes of an interest rate cut by the Fed and rising political concerns in Europe and between Israel and Lebanon's Hezbollah group have also kept a floor under prices, Tony Sycamore, an analyst at financial services company IG, said in a note.

In France, opponents of the country's far-right movement sought to build a united front to block the path to government of Marine Le Pen's National Rally (RN) after it made historic gains to win the first round of a snap parliamentary election.

"Increased volatility is anticipated in wider markets this week as elections dominate the agenda in Europe and UK, while in the U.S., concerns over President Biden's fitness for office, let alone re-election, is dominating the news," said Ashley Kelly, an analyst at Panmure Gordon.

In the U.S., top Democrats ruled out the possibility of replacing President Joe Biden as the Democratic nominee after his feeble debate performance last week and called on party members to focus instead on the consequences of former President Donald Trump's potential return to power.

In Russia, oil product exports from the Black Sea port of Tuapse are set to rise by 59.7% on a month-on-month basis in July to 0.95 million metric tons from the 0.6 million tons scheduled for June.

Traders were also watching for the impact that hurricanes have on oil and gas production and consumption in the Americas.

U.S. natural gas futures fell about 5% to a six-week low on rising output in recent weeks, forecasts for less demand over the next two weeks than previously expected and an ongoing oversupply of gas in storage.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low	
Nymex Crude Oil	AUG 24	83.38	1.94	83.64	81.38
Natural Gas	AUG 24	2.478	-0.126	2.602	2.473
RB Gasoline	AUG 24	257.83	7.60	258.01	250.90
Heating Oil	AUG 24	261.47	8.10	261.88	253.98
Brent Fin Last Day	SEP 24	86.75	1.75	86.88	84.88
US Dollar Index		105.85	-0.019	105.982	105.425

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
06/29/2024 01:00	Baker Hughes U.S. Rig Count	Jun-28	--	581
06/29/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-28	--	97
06/29/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-28	--	479
07/03/2024 22:30	DOE U.S. Crude Oil Inventories	Jun-28	--	3591k
07/03/2024 22:30	DOE Cushing OK Crude Inventory	Jun-28	--	-226k
07/03/2024 22:30	DOE U.S. Gasoline Inventories	Jun-28	--	2654k
07/03/2024 22:30	DOE U.S. Distillate Inventory	Jun-28	--	-377k
07/03/2024 22:30	DOE U.S. Refinery Utilization	Jun-28	--	-1.30%
07/03/2024 22:30	DOE Crude Oil Implied Demand	Jun-28	--	19298
07/03/2024 22:30	DOE Gasoline Implied Demand	Jun-28	--	9845
07/03/2024 22:30	DOE Distillate Implied Demand	Jun-28	--	5,089
07/04/2024 00:00	EIA Natural Gas Storage Change	Jun-28	--	52
07/04/2024 00:00	EIA Working Natural Gas Implied Flow	Jun-28	--	52

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



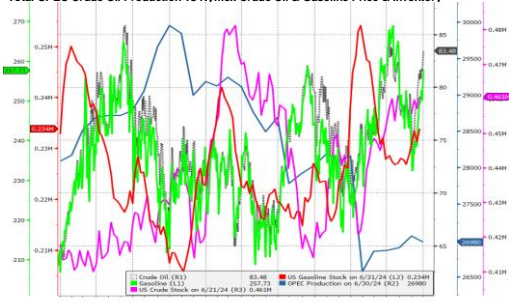
CLM Comdty (WTI) CRUDE FUTURE Aug24 Crude Gas Rig Count Daily 03/02/2023-17/06/2024 Copyright 2024 Bloomberg Finance L.P. 02-Jul-2024 03:55:55

Normalized RBOB Gasoline minus Nymex Crude Oil Price



FVCH1 Index (RBOB-WTI) Month 13 FVCH1 Index Daily 06/03/2023-17/06/2024 Copyright 2024 Bloomberg Finance L.P. 02-Jul-2024 03:56:45

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



CLM Comdty (WTI) CRUDE FUTURE Aug24 Crude Gas Stock OPEC Daily 28/06/2021-01/06/2024 Copyright 2024 Bloomberg Finance L.P. 02-Jul-2024 03:56:23

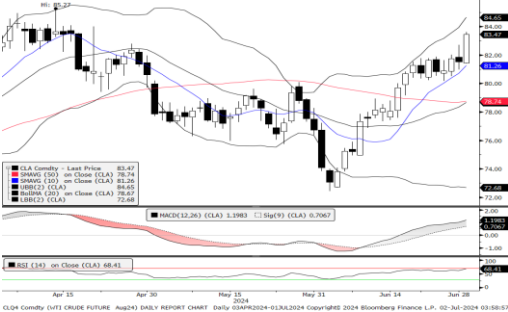
WTI-Brent Spread



CLM Comdty (Brent Fin Last Day) WTI vs Brent Daily 28/06/2021-01/06/2024 Copyright 2024 Bloomberg Finance L.P. 02-Jul-2024 03:57:04

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: 84.63	1st Resistance: 2.515	1st Resistance: 261.70
2nd Resistance: 85.88	2nd Resistance: 2.552	2nd Resistance: 265.56
1st Support: 82.13	1st Support: 2.441	1st Support: 253.96
2nd Support: 80.88	2nd Support: 2.404	2nd Support: 250.10
MACD: 1.199	MACD: -0.033	MACD: 2.273
MACD DIFF: 0.492	MACD DIFF: -0.061	MACD DIFF: 1.872
RSI: 68.438	RSI: 36.613	RSI: 66.993

Heating Oil	Brent Fin Last Day
1st Resistance: 265.39	1st Resistance: 88.05
2nd Resistance: 269.31	2nd Resistance: 89.35
1st Support: 257.55	1st Support: 85.45
2nd Support: 253.63	2nd Support: 84.15
MACD: 2.856	MACD: 1.001
MACD DIFF: 1.545	MACD DIFF: 0.443
RSI: 65.637	RSI: 66.409

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