

Fundamentals:
Oil prices reversed course to fall on Friday after U.S. House Republicans and President Joe Biden's administration paused talks about raising the government's debt ceiling, threatening a default that could cut energy demand.

Brent futures settled 28 cents, or 0.8%, lower at \$75.58 a barrel, while West Texas Intermediate U.S. crude for July expiry fell 25 cents, or 0.3%, to \$71.69.

The less active U.S. crude contract for May, due to expire on Monday, closed down 31 cents, or 0.4%, to \$71.55.

Brent and U.S. crude nonetheless notched their first weekly gains in a month, with the both benchmarks rising about 2%.

Biden and House Republicans have little time to agree on a deal to raise the federal government's \$314.4 trillion borrowing limit or risk a catastrophic default. The Treasury Department has warned the government could be unable to pay all its bills by June 1.

A White House official said a deal remained possible.

Markets were also spooked by Federal Reserve Chair Jerome Powell's comments that inflation was "far above" the Fed's objective, adding no decisions had been made yet on the next interest rate action.

Following reports of the paused debt ceiling negotiations and Powell's comments, U.S. stocks, Treasury yields and the dollar all moved lower.

Providing some support for markets, U.S. Treasury Secretary Janet Yellen reaffirmed the strength and soundness of the country's banking system in a meeting with bank CEOs on Thursday, the Treasury Department said in a statement.

U.S. oil rig count, an indicator of future production, fell by 11 to 575 this week, the biggest weekly drop since September 2021, energy services firm Baker Hughes Co said.

While the potential for additional rate hikes increases concern about demand weakness in the United States, prices could rise on higher Chinese demand throughout 2023, said analysts from National Australia Bank.

China's oil refinery throughput in April rose 18.9% from a year earlier to the second-highest level on record, data showed this week.

Chinese refiners maintained high runs to meet recovering domestic fuel demand and build stockpiles ahead of the summer travel season.

U.S. natural gas futures held near a nine-week high on Friday after a technical bounce in the prior session and as a lack of wind power this week caused generators to burn more gas to produce electricity.

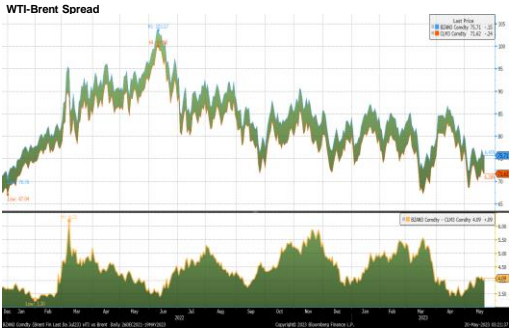
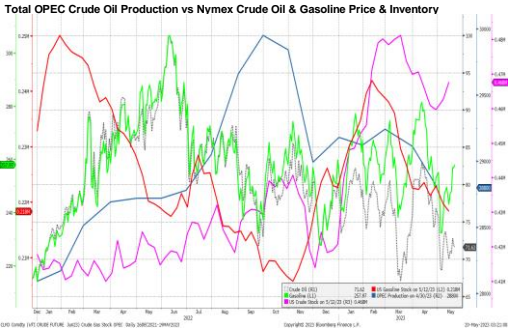
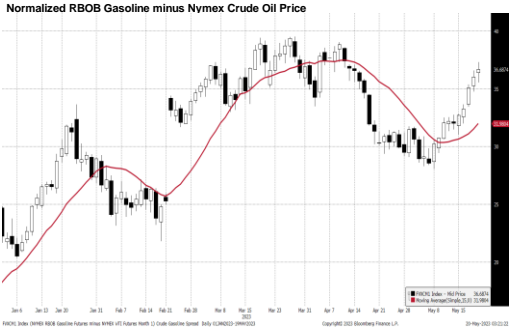
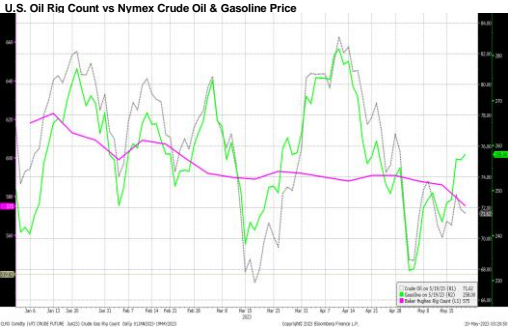
Traders also said prices were supported this week by a drop in gas exports from Canada due to wildfires in Alberta and other western provinces.

(Source: Reuters)

Energy Table					
Contract	Sett	Chg	High	Low	
Nymex Crude Oil JUN 23	71.55	-0.16	73.40	71.03	
Natural Gas JUN 23	2.585	0.001	2.685	2.557	
RB Gasoline JUN 23	257.61	1.34	262.13	256.00	
Heating Oil JUN 23	236.22	-3.53	244.81	235.50	
Brent Fin Last Day JUL 23	75.78	-0.08	77.50	75.10	
US Dollar Index	103.19	-0.393	103.618	102.998	

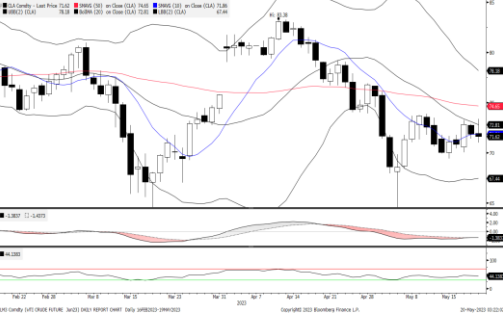
Bloomberg Survey on U.S. Total Change in Inventories						
Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
12/5/2023	5040	-2000	-1381	-2000	12200	467624
5/5/2023	2951	-2500	-3167	-1500	12300	462584
28/4/2023	-1281	-500	1742	-1500	12300	458633
21/4/2023	-5054	-1500	-2408	-1500	12200	460914
14/4/2023	-4581	-250	1299	-1250	12300	465968
7/4/2023	597	-1050	-330	-1900	12300	470549
31/3/2023	-3739	-1700	-4119	-2000	12200	469952
24/3/2023	-2904	1750	-2904	-2250	12200	473691
17/3/2023	1117	-1800	-6399	-2364	12300	481180
10/3/2023	1550	1500	-2061	-1617	12200	480063
3/3/2023	-1694	1600	-1134	-2000	12200	478513
24/2/2023	1166	1900	-874	-1000	12300	480207

Fundamental Data:					
Event	Period	Avg Survey	Actual	Prior	
05/20/2023 01:00 Baker Hughes U.S. Rotary Oil Rigs	May-19	--	575	586	
05/20/2023 01:00 Baker Hughes U.S. Rotary Gas Rigs	May-19	--	141	141	
05/20/2023 01:00 Baker Hughes U.S. Rig Count	May-19	--	720	731	
05/24/2023 22:30 DOE U.S. Crude Oil Inventories	May-19	--	--	5040k	
05/24/2023 22:30 DOE Cushing OK Crude Inventory	May-19	--	--	1461k	
05/24/2023 22:30 DOE U.S. Gasoline Inventories	May-19	--	--	-1381k	
05/24/2023 22:30 DOE U.S. Distillate Inventory	May-19	--	--	80k	
05/24/2023 22:30 DOE U.S. Refinery Utilization	May-19	--	--	1.00%	
05/24/2023 22:30 DOE Crude Oil Implied Demand	May-19	--	--	18340	
05/24/2023 22:30 DOE Gasoline Implied Demand	May-19	--	--	9838.4	
05/24/2023 22:30 DOE Distillate Implied Demand	May-19	--	--	4972.6	
05/25/2023 22:30 EIA Natural Gas Storage Change	May-19	--	--	99	
05/25/2023 22:30 EIA Working Natural Gas Implied Flow	May-19	--	--	99	

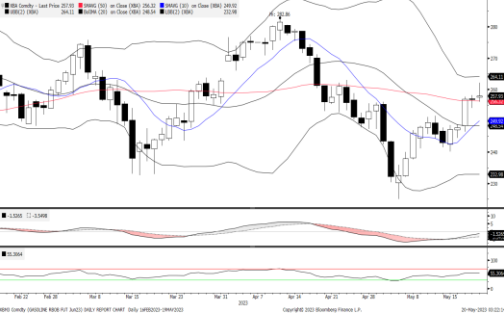


Source: Bloomberg

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:	72.62	2nd Resistance:	73.70	1st Resistance:	2.624	2nd Resistance:	2.663	1st Resistance:	261.47	2nd Resistance:	265.34
1st Support:	70.48	2nd Support:	69.40	1st Support:	2.546	2nd Support:	2.507	1st Support:	253.75	2nd Support:	249.88
MACD:	-1.378			MACD:	0.013			MACD:	-1.509		
MACD DIFF:	0.059			MACD DIFF:	0.051			MACD DIFF:	2.039		
RSI:	44.338			RSI:	62.366			RSI:	55.510		
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Heating Oil				Brent Fin Last Day							
1st Resistance:	239.76	2nd Resistance:	243.31	1st Resistance:	76.92	2nd Resistance:	78.05				
1st Support:	232.68	2nd Support:	229.13	1st Support:	74.64	2nd Support:	73.51				
MACD:	-3.557			MACD:	-1.344						
MACD DIFF:	1.423			MACD DIFF:	0.117						
RSI:	45.215			RSI:	44.677						

Strategy

Crude Oil	Long:	Profit target:	Stop-loss:	Natural Gas	Long:	Profit target:	Stop-loss:	Gasoline	Long:	Profit target:	Stop-loss:
Natural Gas	70.48	71.18	70.12	Gasoline	253.75	256.28	252.48	Heating Oil	232.68	235.00	231.51
Heating Oil	232.68	235.00	231.51	Brent Fin Last Day	74.64	75.39	74.27				

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