

Fundamentals:
Oil prices fell over 2% on Wednesday as fears of disruption to supplies due to conflict in the Middle East receded a day after top OPEC producer Saudi Arabia pledged to help stabilise the market.

Brent futures fell \$1.83, or 2.1%, to settle at \$85.82 a barrel. U.S. West Texas Intermediate crude fell \$2.48, or 2.9%, to settle at \$83.49.

Brent and WTI had surged by more than \$3.50 per barrel on Monday over concern the clashes between Israel and Palestinian Islamist group Hamas could escalate into a broader conflict that would disrupt global oil supply.

Prices settled slightly lower on Tuesday after Saudi Arabia said it was working with regional and international partners to prevent an escalation, and reaffirmed its efforts to stabilise oil markets.

In Europe, the German government confirmed it expects the economy to contract by 0.4% this year because of persistently high inflation.

Russia and Saudi Arabia met in Moscow on Wednesday, when Russian President Vladimir Putin said that OPEC+ coordination will continue "for the predictability of the oil market."

OPEC+ is the partnership between the Organization of the Petroleum Exporting Countries (OPEC) and its allies, including Russia.

Putin also urged companies to prioritise the Russian domestic market. The country's ban on gasoline and some diesel exports was rolled back again last week as diesel exports that arrive at ports by pipeline were permitted.

In a report, the U.S. Energy Information Administration (EIA) projected global oil inventories would fall by 200,000 barrels per day in the second half of 2023 from voluntary output cuts from Saudi Arabia, along with reduced production targets among OPEC+ countries.

Exxon Mobil agreed to buy U.S. rival Pioneer Natural Resources in an all-stock deal valued at \$59.5 billion that would make it the biggest producer in the Permian shell, the largest U.S. oilfield.

Analysts in a Reuters poll forecast U.S. crude inventories rose by 500,000 barrels in the week ended Oct. 6.

The American Petroleum Institute, an industry group, is due to release oil inventory data later on Wednesday.

EIA will release data on stockpiles on Thursday.

U.S. natural gas futures held close to an eight-month high as a bullish drop in daily output and rising exports offset bearish forecasts for milder weather and lower demand over the next two weeks than previously expected.

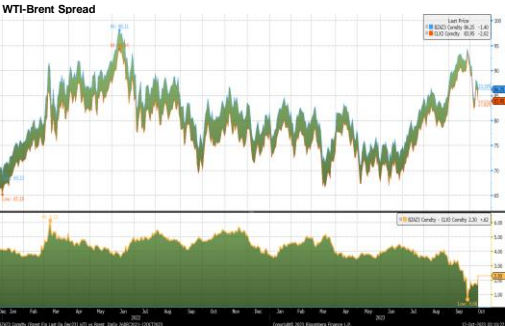
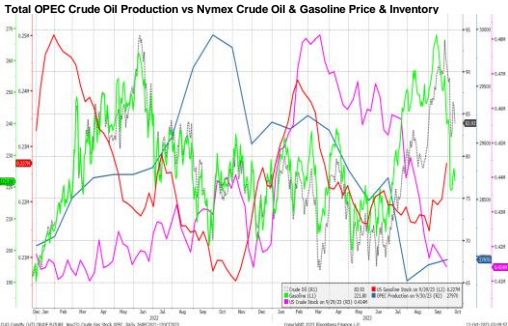
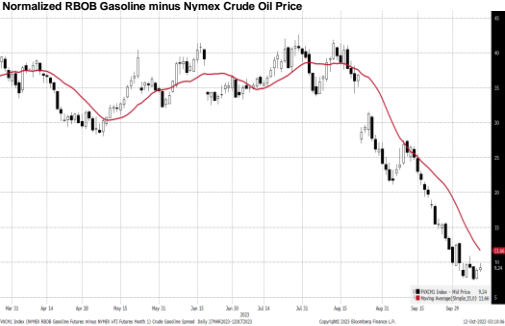
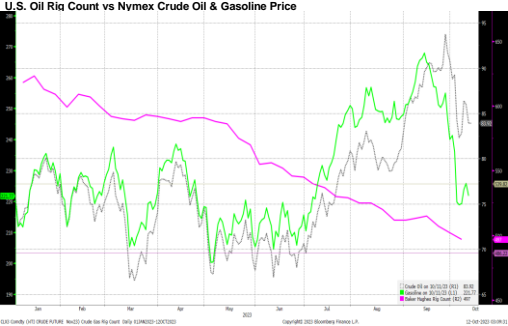
After rising for six days in a row to an eight-month high earlier this week, front-month gas futures for November delivery on the New York Mercantile Exchange eased 0.5 cent, or 0.1%, to settle at \$3.377 per million British thermal units (mmBtu). On Tuesday, the contract closed at its highest since Jan. 23 for a third day in a row.

(Source: Reuters)

Energy Table					
Contract	Sett	Chg	High	Low	
Nymex Crude Oil	NOV 23 83.49	-2.66	86.51	83.11	
Natural Gas	NOV 23 3.377	0.008	3.454	3.225	
RB Gasoline	NOV 23 221.01	-5.95	228.20	219.41	
Heating Oil	NOV 23 299.85	-2.22	305.55	293.35	
Brent Fin Last Day	DEC 23 85.67	-1.98	88.25	85.22	
US Dollar Index		-0.099	106.014	105.559	

Bloomberg Survey on U.S. Total Change in Inventories						
Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
6/10/2023	-	-1400	-	-1000	-	-
29/9/2023	-2224	50	6481	-300	12900	414063
22/8/2023	-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	-6307	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-2191	-214	-1250	12800	422944
18/8/2023	1468	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	5851	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771
21/7/2023	-600	-2250	-786	-1373	12200	456820

Fundamental Data:				Period	Avg Survey	Actual	Prior
Event							
10/12/2023 00:45	STEO Fwd Yr Dry Nat Gas Forecast			Oct	--	105.13	104.93
10/12/2023 00:45	STEO Curr Yr Dry Nat Gas Forecast			Oct	--	103.72	102.69
10/12/2023 00:45	STEO Fwd Yr Crude Forecast			Oct	--	13.12	13.16
10/12/2023 00:45	STEO Current Yr Crude Forecast			Oct	--	12.92	12.78
10/12/2023 22:30	EIA Natural Gas Storage Change			Oct-06	85	--	86
10/12/2023 22:30	EIA Working Natural Gas Implied Flow			Oct-06	85	--	86
10/12/2023 23:00	DOE U.S. Crude Oil Inventories			Oct-06	-1400k	--	-2224k
10/12/2023 23:00	DOE Cushing OK Crude Inventory			Oct-06	--	--	132k
10/12/2023 23:00	DOE U.S. Gasoline Inventories			Oct-06	-1000k	--	6481k
10/12/2023 23:00	DOE U.S. Distillate Inventory			Oct-06	-1000k	--	-1269k
10/12/2023 23:00	DOE U.S. Refinery Utilization			Oct-06	-0.50%	--	-2.20%
10/12/2023 23:00	DOE Crude Oil Implied Demand			Oct-06	--	--	19433
10/12/2023 23:00	DOE Gasoline Implied Demand			Oct-06	--	--	8850.7
10/12/2023 23:00	DOE Distillate Implied Demand			Oct-06	--	--	4955.3
10/14/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs			Oct-13	--	--	497
10/14/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs			Oct-13	--	--	118
10/14/2023 01:00	Baker Hughes U.S. Rig Count			Oct-13	--	--	619



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:	84.74	2nd Resistance:	85.99	1st Resistance:	3.428	2nd Resistance:	3.478	1st Resistance:	224.33	2nd Resistance:	227.64
1st Support:	82.24	2nd Support:	80.99	1st Support:	3.326	2nd Support:	3.276	1st Support:	217.69	2nd Support:	214.38
MACD:	-0.159			MACD:	0.077			MACD:	-8.586		
MACD DIFF:	-1.003			MACD DIFF:	0.065			MACD DIFF:	-3.089		
RSI:	41.742			RSI:	69.204			RSI:	28.802		
Heating Oil				Brent Fin Last Day							
1st Resistance:	304.35	2nd Resistance:	308.85	1st Resistance:	86.96	2nd Resistance:	88.24				
1st Support:	295.35	2nd Support:	290.85	1st Support:	84.38	2nd Support:	83.10				
MACD:	-4.005			MACD:	-0.506						
MACD DIFF:	-3.787			MACD DIFF:	-0.919						
RSI:	42.899			RSI:	40.685						

Strategy

Crude Oil	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Natural Gas	82.24	83.06	81.83	80.99	81.80	80.58	84.74	83.99	85.17	85.99	85.13	86.42
Gasoline	217.69	219.87	216.61	214.38	216.52	213.31	224.33	222.08	225.45	227.64	225.36	228.78
Heating Oil	295.35	298.31	293.88	290.85	293.76	289.40	304.35	301.30	305.87	308.85	305.76	310.39
Brent Fin Last Day	84.38	85.23	83.96	83.10	83.93	82.68	86.96	86.09	87.39	88.24	87.36	88.68

Kenanga Futures Sdn Bhd (353603-X)
Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
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