

Fundamentals:

Oil settled higher on Wednesday as ongoing tensions in the Middle East lent support to prices, but news that interest rate cuts could start as late as December capped gains, following the Federal Reserve's statement concluding its two-day meeting.

Brent crude futures settled 68 cents, or 0.83% higher at \$82.60 a barrel, with U.S. West Texas Intermediate (WTI) crude futures up 60 cents, or 0.77%, to \$76.50.

Prices had eased more than 2% last week after OPEC and its allies said they would phase out output cuts starting from October.

Palestinian militant group Hamas has proposed numerous changes, some unworkable, to a U.S.-backed proposal for a ceasefire with Israel in Gaza, U.S. Secretary of State Antony Blinken said on Wednesday, adding that mediators were determined to close the gaps.

At a press conference with Qatar's prime minister in Doha, Blinken said some of the counter-proposals from Hamas, which has ruled Gaza since 2007, had sought to amend terms that it had accepted in previous talks.

The war has yet to materially affect global oil supply, but investors have priced in the risk, boosting crude futures prices.

Meanwhile, investors were left disappointed after the Federal Reserve pushed out the start of rate cuts to perhaps as late as December, with officials projecting only a single quarter-percentage-point reduction for the year amid rising estimates for what it will take to keep inflation in check.

U.S. consumer price data, published on Wednesday, had reinforced expectations of a Fed rate cut in September. Fed Chair Jerome Powell will hold a press conference later on Wednesday.

"It will be interesting to see what Powell says, I don't think there is any doubt that they will leave rates where they are," said Ben McMillan, a fund manager for iDX Advisors.

Higher borrowing costs tend to dampen economic growth, and could, by extension, limit oil demand.

"The market is holding its breath right now," said Tim Snyder, economist at Matador Economics.

"If Powell talks outside of what the Fed publishes, there could be a little discord within the policy committee as to their direction on interest rates," Snyder added.

Elsewhere, European Central Bank Vice President Luis de Guindos said the ECB must move "very slowly" in reducing interest rates, because of huge uncertainty over the inflation outlook.

U.S. crude stocks posted a surprise build last week, up by 3.7 million barrels to 459.7 million barrels, compared with expectations of a 1 million barrel-draw, the Energy Information Administration (EIA) said on Wednesday.

Gasoline stocks rose more than expected, up by 2.6 million barrels to 233.5 million barrels, the EIA said, compared with analysts' expectations in a Reuters poll for a 900,000-barrel build.

However, longer term, the EIA, the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries this week updated their views on the global oil demand-supply balance for 2024, predicting declines in global oil inventories.

Their reports imply limited downside for prices in the second half of the year, said Tamas Varga of oil broker PVM, with the IEA seeing a larger depletion in inventories than the other two.

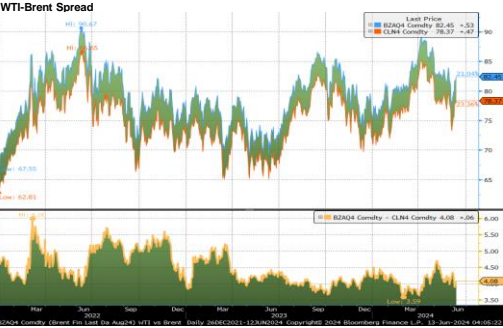
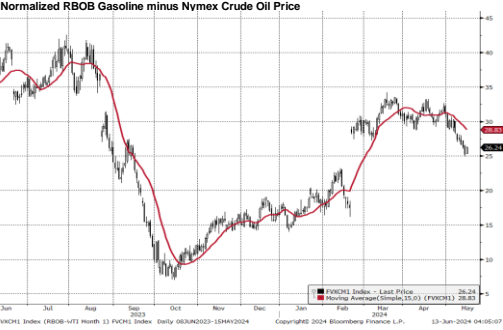
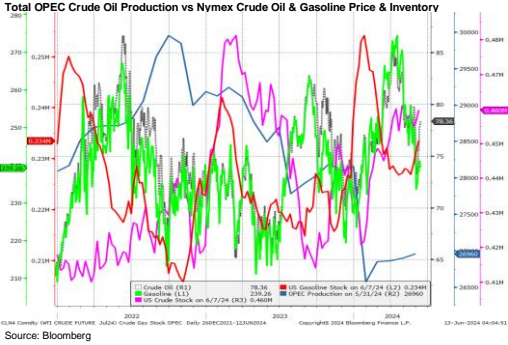
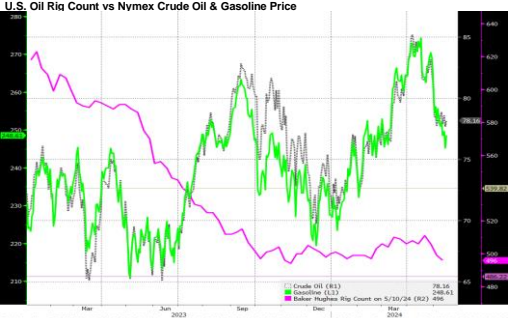
U.S. natural gas futures fell about 3% on Wednesday on expectations that supplies will soon rise with the approved startup of the Mountain Valley gas pipe and news about plans by EQT, the nation's biggest gas producer, to boost output.

(Source: Reuters)

Energy Table					
Contract		Sett	Chg	High	Low
Nymex Crude Oil	JUL 24	78.50	0.44	79.32	77.88
Natural Gas	JUL 24	3.045	-0.094	3.132	2.995
RB Gasoline	JUL 24	239.44	-1.71	245.17	236.63
Heating Oil	JUL 24	244.08	1.67	247.13	242.30
Brent Fin Last Day	AUG 24	82.43	0.51	83.34	81.97
US Dollar Index		104.75	-0.482	105.323	104.257

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	
06/12/2024 22:30	DOE U.S. Crude Oil Inventories	Jun-07	-1500k	3730k	1233k
06/12/2024 22:30	DOE Cushing OK Crude Inventory	Jun-07	--	-1593k	854k
06/12/2024 22:30	DOE U.S. Gasoline Inventories	Jun-07	1500k	2566k	2102k
06/12/2024 22:30	DOE U.S. Distillate Inventory	Jun-07	2147k	881k	3197k
06/12/2024 22:30	DOE U.S. Refinery Utilization	Jun-07	-0.40%	-0.40%	1.10%
06/12/2024 22:30	DOE Crude Oil Implied Demand	Jun-07	--	20971	19982
06/12/2024 22:30	DOE Gasoline Implied Demand	Jun-07	--	9897	9837.4
06/12/2024 22:30	DOE Distillate Implied Demand	Jun-07	--	4997.1	4746.3
06/15/2024 01:00	Baker Hughes U.S. Rig Count	Jun-14	--	--	594
06/15/2024 01:00	Baker Hughes U.S. Rotary Gas Rigs	Jun-14	--	--	98
06/15/2024 01:00	Baker Hughes U.S. Rotary Oil Rigs	Jun-14	--	--	492



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

1st Resistance:	79.68	2nd Resistance:	80.86
1st Support:	77.32	2nd Support:	76.15
MACD:	-0.702		
MACD DIFF:	0.270		
RSI:	52.621		

Natural Gas

1st Resistance:	3.091	2nd Resistance:	3.136
1st Support:	2.999	2nd Support:	2.954
MACD:	0.115		
MACD DIFF:	0.024		
RSI:	61.611		

Gasoline

1st Resistance:	243.03	2nd Resistance:	246.62
1st Support:	235.85	2nd Support:	232.26
MACD:	-4.496		
MACD DIFF:	0.327		
RSI:	40.684		

Heating Oil

1st Resistance:	247.74	2nd Resistance:	251.40
1st Support:	240.42	2nd Support:	236.76
MACD:	-3.174		
MACD DIFF:	1.008		
RSI:	51.177		

Brent Fin Last Day

1st Resistance:	83.67	2nd Resistance:	84.90
1st Support:	81.19	2nd Support:	79.96
MACD:	-0.741		
MACD DIFF:	0.254		
RSI:	52.348		

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