

Crude Oil Weekly

Brought to you by Phillip Capital Sdn Bhd (362533-U)

Market Commentary

Call of The Week:

Mildly Bullish

17 September, 2024

Highlights:

- Oil falls after back-to-back gains on storm disruptions, still settles higher for the week
- U.S. commercial crude oil inventories increased by 0.8 million barrels from the previous week.

Oil Market Summary

Oil futures finished with a loss on Friday as concerns about the demand outlooked lingered, but prices gained for the week after Hurricane Francine disrupted output in the Gulf of Mexico..

On Friday, the NYMEX light sweet crude oil for November contract decrease by \$1.84 or 2.61%, to settle at \$68.47 a barrel by close of trade and November Brent crude up \$0.55 or nearly 1.67%, to \$73.33 a barrel. During the week, NYMEX crude oil up \$0.98 (1.448%) and the Brent oil up by \$0.55 (0.774%).

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 0.8 million barrels from the previous week.

According to Baker Hughes, the number of active rigs drilling for oil increase to 590 from 582.

As U.S. Gulf Coast production and refining activity resumes, investors have opted to offload oil contracts going into the weekend, said Bob Yawger, director of energy futures at Mizuho in New York.

For the week, oil futures finished higher following sharp storm-related increases early in the week, breaking a streak of declines. Brent logged an increase of about 0.8% since the close of last Friday's session, while WTI registered a roughly 1.4% gain.

Official data showed that, as of Thursday, the storm nearly shut in 42% of oil production in the region that accounts for about 15% of U.S. output.

In the week ahead, NYMEX crude oil prices are likely to trade in a range between \$70 and \$75 with downside bias. Oil traders will focus on the fresh weekly data on U.S. commercial crude inventories to gauge the strength of demand in the world's largest oil consumer and how fast output levels will continue to rise will capture the market's attention.

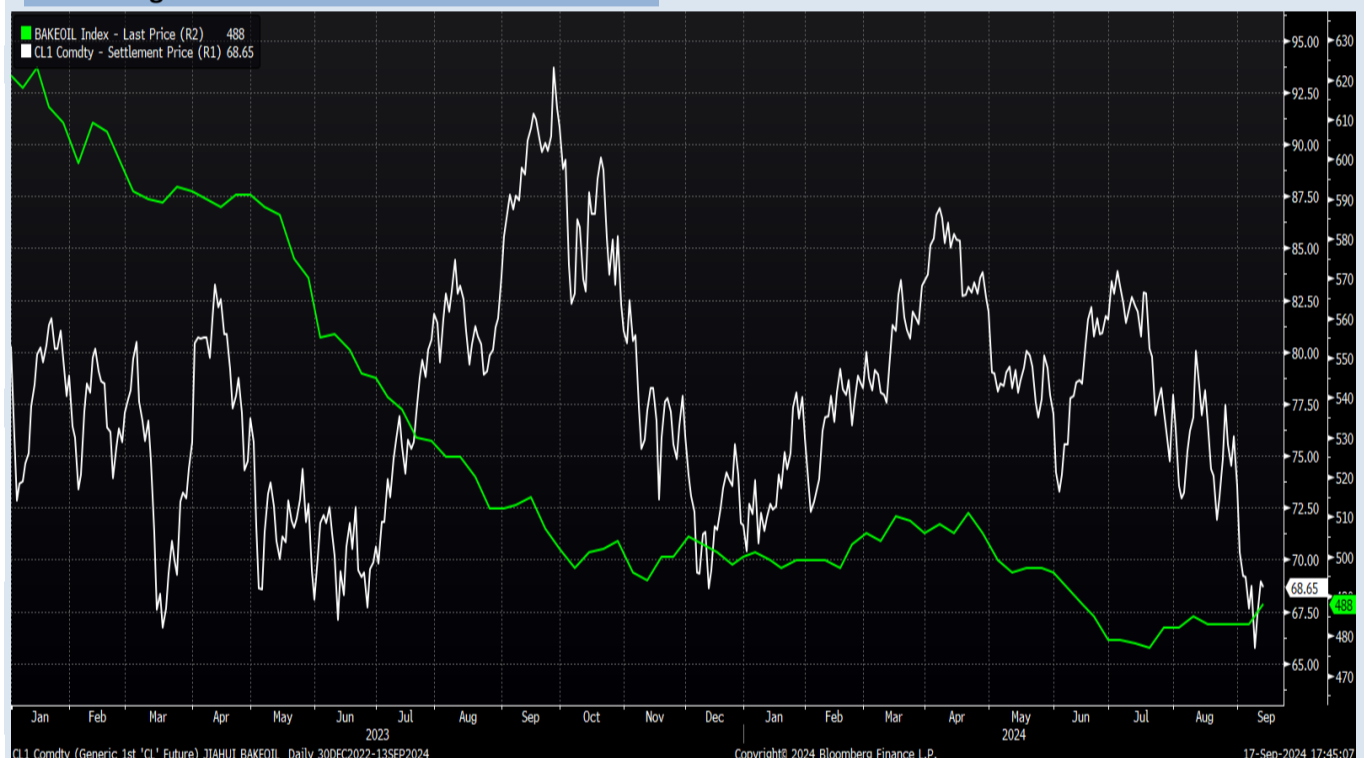
Weekly Market Price as at 13/09/2024

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	68.65	0.98	1.448	70.32	65.27	41.15
IPE Brent Oil	71.61	0.55	0.774	73.24	68.68	39.35
TOCOM Crude Oil	60,620.00	-1330.00	-2.147	62820.00	58250.00	34.43
Mini Dow Jones	41,427.00	1020.00	2.524	41569.00	40034.00	59.23
U.S. Dollar Index	101.11	-0.06	-0.062	101.84	100.88	39.37
COMEX Gold	2,610.70	86.10	3.410	2614.60	2514.20	68.34

Significant Events to Watch (Malaysian Time)

- 17/09/2024 (2030hrs) - Core Retails Sales (Aug)
- 17/09/2024 (2200hrs) - Retail Inventories Ex Auto (Jul)
- 18/09/2024 (0430hrs) - API Weekly Crude Oil Stock
- 18/09/2024 (2230hrs) - Crude Oil Inventories
- 18/09/2024 (2230hrs) - Cushing Crude Oil Inventories
- 19/09/2024 (2030hrs) - Initial Jobless Claims
- 21/09/2024 (0100hrs) - U.S. Baker Hughes Total Rig Count

U.S. Oil Rig Count vs. U.S. NYMEX Crude Oil



Source: Bloomberg / Phillip Capital

Other Market News

Oil was little changed as global markets await a widely expected interest-rate cut by the Federal Reserve this week.

Brent traded near \$73 a barrel after rising by 1.6% on Monday, while West Texas Intermediate was above \$70. Opinion remains divided on the Fed's easing path, but some are wagering it will start with a half-point cut on Wednesday. Lower rates would likely provide bullish tailwinds for energy demand.

Chart of the Day - Crude Oil Daily Chart



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From the daily chart above, prices is likely to be rebound from recent low, however, investor should be mindful of next support level will be at \$65/barrel

Source: Reuters/Bloomberg/Phillip Capital

Khairil Anuar Bin Kamarul
khairilanuar.kamarul@phillipcapital.com.my

William Loh Tze Ang
william.loh@phillipcapital.com.my

Tai Jen Seng
tai.jenseng@phillipcapital.com.my

CONTACT US:

Kuala Lumpur Headquarters:
(+603) 2711 0026
futures_dealing@phillipcapital.com.my

Johor Branch:
(+607) 557 2188
pcjb@phillipcapital.com.my

Kuching Branch:
(+6082) 247 6333
pckc@phillipcapital.com.my

Sibu Branch:
(+6084) 377 933
pcsibu@phillipcapital.com.my

Kota Damansara Branch:
(+603) 9212 2818
pckd@phillipcapital.com.my

Penang Branch:
(+604) 202 0039
pcp@phillipcapital.com.my

Malacca Branch:
(+606) 225 0018
pckm@phillipcapital.com.my

Kota Kinabalu Branch
(+6088) 335 346
pckb@phillipcapital.com.my

Official Website: www.phillip.com.my
Official Facebook Page: www.facebook.com/PhillipCapitalSdnBhd
Official Telegram Channel: [@PhillipFutures](https://t.me/PhillipFutures)

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