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8 June 2017- 14 June 2017

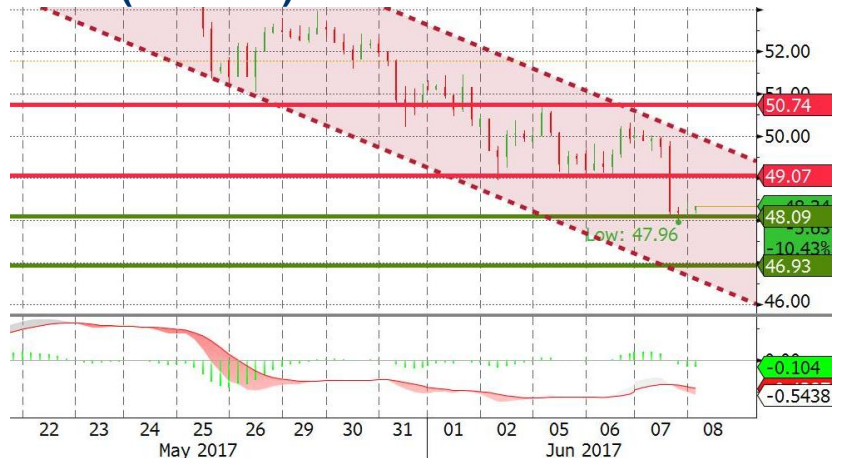
Crude Oil Prices Continues To Fall On Weaker EIA Data; Nat Gas Falls On the Back of Rising Seasonal Inventory

WTI(USD/Bbl) Price Chart



Source: Bloomberg Period: 4 Hours
MACD (Period 1:12, Period 2: 26, Signal: 9)

Brent (USD/Bbl) Price Chart



Source: Bloomberg Period: 4 Hours
MACD (Period 1:12, Period 2: 26, Signal: 9)

Natural Gas (USD/MMBtu) Price Chart



Source: Bloomberg Period: 4 Hours
MACD (Period 1:12, Period 2: 26, Signal: 9)

(WTI) Crude Oil Technical Indicators

Support & Resistance	Price Action
Resistance 2: US\$ 48.58/Bbl	Short-Term: Bearish
Resistance 1: US\$ 47.12/Bbl	Mid-Term: Bearish
Current price: US\$ 45.96/Bbl	Long-Term: Sideways
Support 1: US\$ 45.40/Bbl	
Support 2: US\$ 44.13/Bbl	

(Brent) Crude Oil Technical Indicators

Support & Resistance	Price Action
Resistance 2: US\$ 50.74/Bbl	Short-Term: Bearish
Resistance 1: US\$ 49.07/Bbl	Mid-Term: Bearish
Current price: US\$ 48.37/Bbl	Long-Term: Sideways
Support 1: US\$ 47.96/Bbl	
Support 2: US\$ 46.93/Bbl	

(Henry Hub) Natural Gas Technical Indicators

Support & Resistance	Price Action
Resistance 2: US\$ 3.135/MMBtu	Short-Term: Bearish
Resistance 1: US\$ 3.087/ MMBtu	Mid-Term: Bearish
Current price: US\$ 3.012/ MMBtu	Long-Term: Bearish
Support 1: US\$ 2.973/MMBtu	
Support 2: US\$ 2.900/MMBtu	

Indicative Price Table

WTI Crude Oil	Active Month	Last Price (/Bbl)	Weekly % Change
NYM (1000 Bbls)(US\$)	JUL 17	45.96	-4.96
ICE (1000 Bbls)(US\$)	JUL 17	45.98	-4.92
NYM (500 Bbls)(US\$)	JUL 17	45.98	-4.91
ICE-SG E-M ini (100 Bbls)(US\$)	JUL 17	45.72	-5.38
Brent Crude Oil	Active Month	Last Price (/Bbl)	Weekly % Change
ICE (1000 Bbls)(US\$)	AUG 17	48.37	-4.46
NYM (1000 Bbls)(US\$)	AUG 17	48.38	-4.44
ICE-SG E-M ini(100 Bbls)(US\$)	AUG 17	48.22	-4.76
Natural Gas	Active Month	Last Price (MMBtu)	Weekly % Change
ICE (31,000 Therms)(£)	JUL 17	36.02	-2.91
NYM (10,000 MMBtu)(US\$)	JUL 17	3.01	0.13
NYM E-M ini (2,500 MMBtu)(US\$)	JUL 17	3.01	0.00
NY Harbor ULSD	Active Month	Last Price (/Gal)	Weekly % Change
NYM (42,000 Gallons) (US\$)	JUL 17	142.73	-4.95
Gasoline	Active Month	Last Price (/Gal)	Weekly % Change
NYM RBOB(42,000 Gallons) (US\$)	JUL 17	150.08	-6.28
ICE RBOB(42,000 Gallons) (US\$)	JUL 17	149	-6.59
TOCOM (50KI) (¥)	DEC 17	45,820	-4.54
Kerosene	Active Month	Last Price (/KI)	Weekly % Change
TOCOM (50KI) (¥)	DEC 17	46,810	-4.86

Last Updated at (SG Time): 10:46:55 AM

Source: Bloomberg

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Fundamental Drivers

The following drivers have been colour-coded depending on whether they are bullish, bearish or neutral drivers; **Green for bullish drivers**, **red for bearish drivers** and **blue for neutral drivers**.

Middle Eastern Tensions

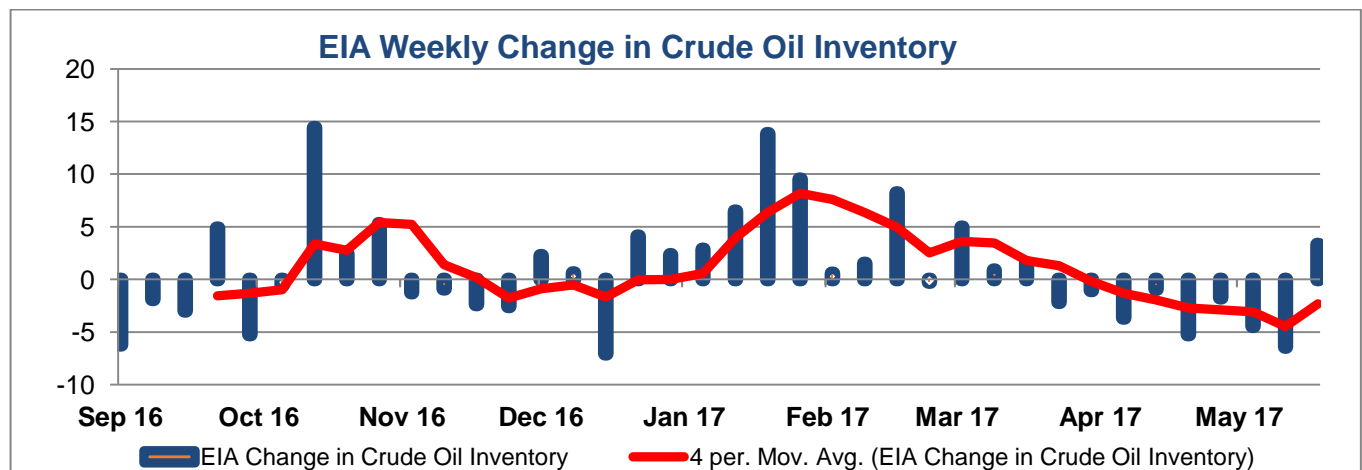
Top crude exporter Saudi Arabia and other Arab states [United Arab Emirates (UAE), Egypt and Bahrain] have severed ties with Qatar on the accusation of it supporting terrorism and undermining regional stability, raising the geopolitical tension in the Middle East. Though Qatar's crude oil daily production of 600 KBpD is relatively insignificant among the OPEC members, this underlying tension among its ranks could potentially undermine the effectiveness of the output reduction agreement of 25 May. This development contributed to the downward price movement of both variants of crude oil.

EIA Crude Oil and Distillate Inventories Analysis

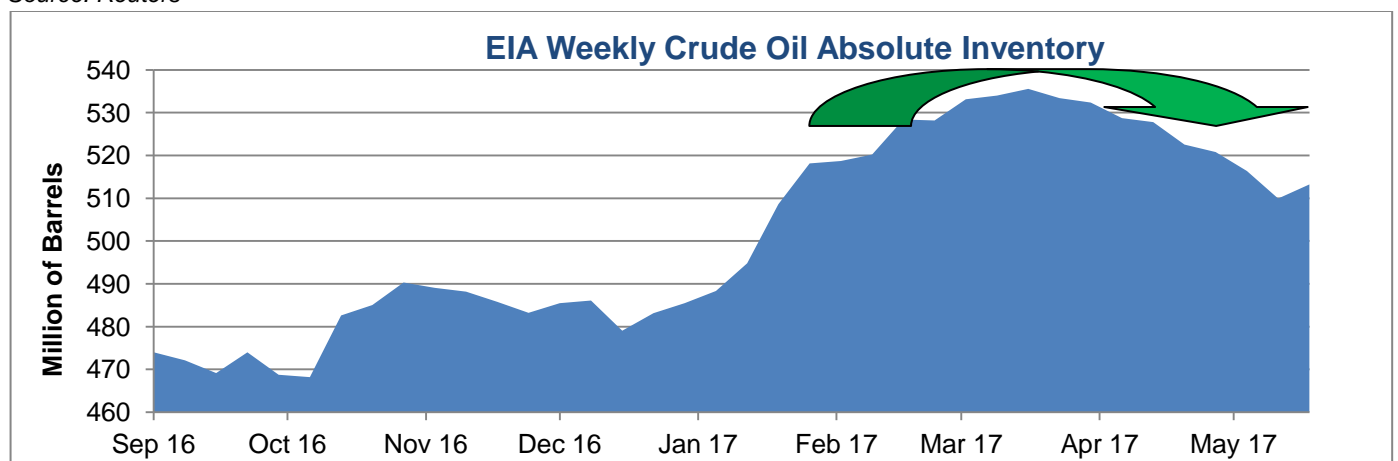
Date	Time	Economic Release	Period	Survey	Actual	Surprise	Previous
7-Jun	22:30	DOE Total Change in Crude Oil	Jun 2	-3138K	3295K	6433K	-6428K
7-Jun	22:30	DOE Total Change in Cushing OK	Jun 2	-500K	-1444K	-944K	-747K
7-Jun	22:30	DOE Total Change in Gasoline I	Jun 2	-275K	3324K	3599K	-2858K
7-Jun	22:30	DOE Total Change in Distillate	Jun 2	150K	4355K	4205K	394K
7-Jun	22:30	DOE Change in Refining Capacity	Jun 2	-0.24%	-0.9%	-0.66%	1.5%

Source: Bloomberg

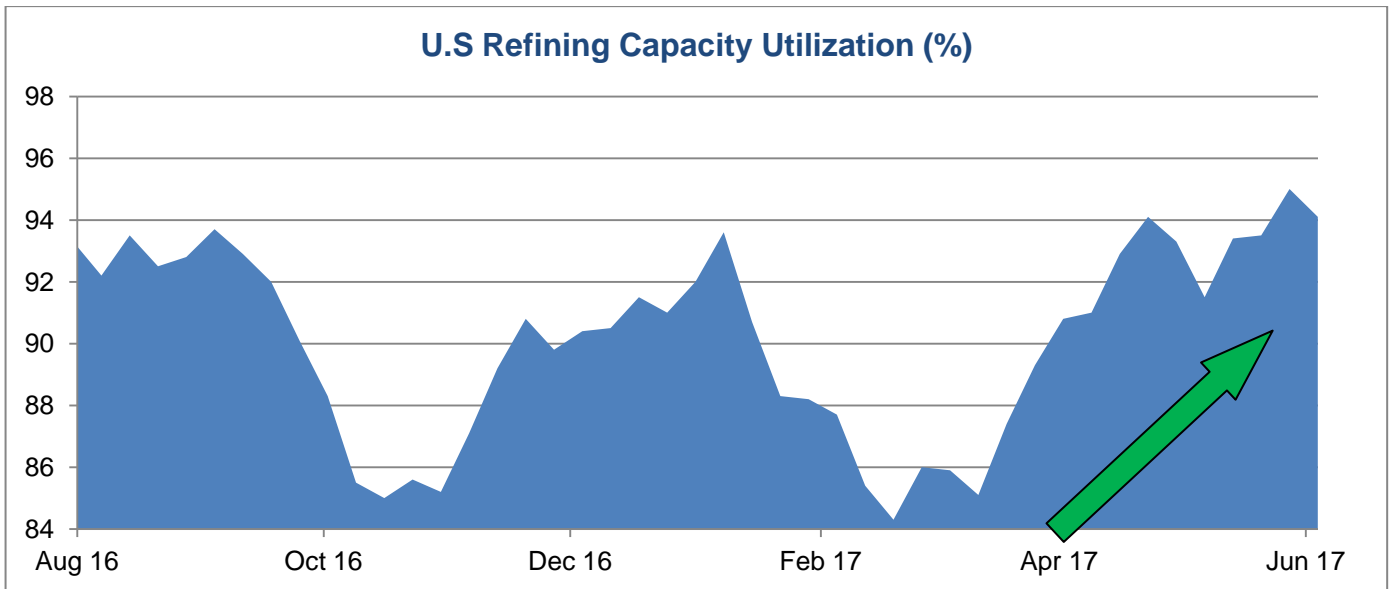
Last night's EIA data release was generally bearish as we saw more than expected inventory surplus across the board, with the exception of Cushing crude oil. Crude oil inventory saw a surplus of 3.295 million barrels as opposed to the forecast of a 3.138 million drawdown. Gasoline figures came out at 3.324 million barrel surplus as opposed to a 275 thousand barrel drawdown. In the distillate space, figures came out at a 4.355 million barrel surplus as compared to a 150 thousand surplus. Refining capacity fell more than expected, falling 0.9% versus consensus of a 0.24% drop.



Source: Reuters

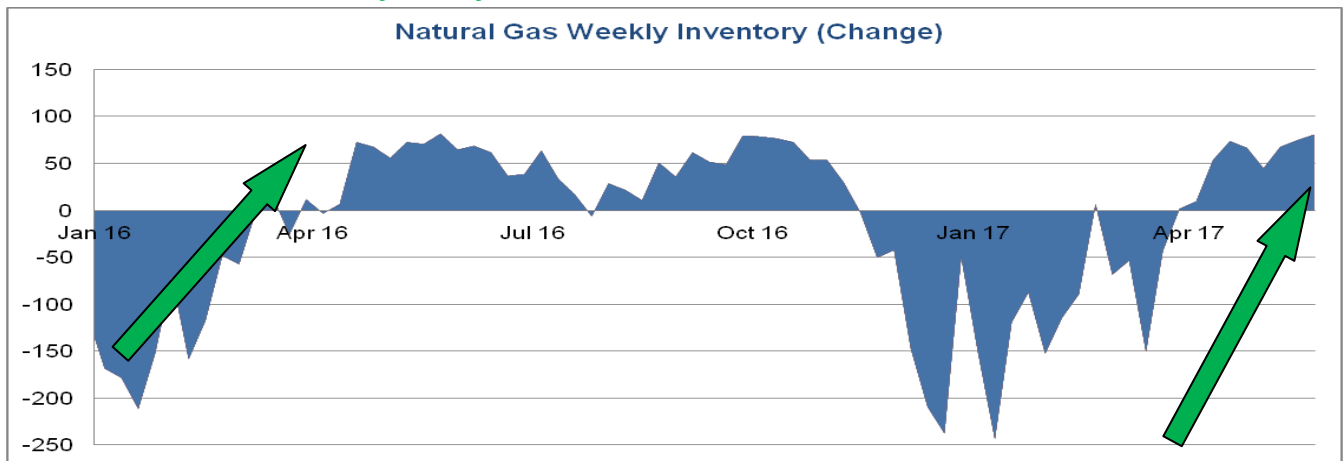


Source: Reuters



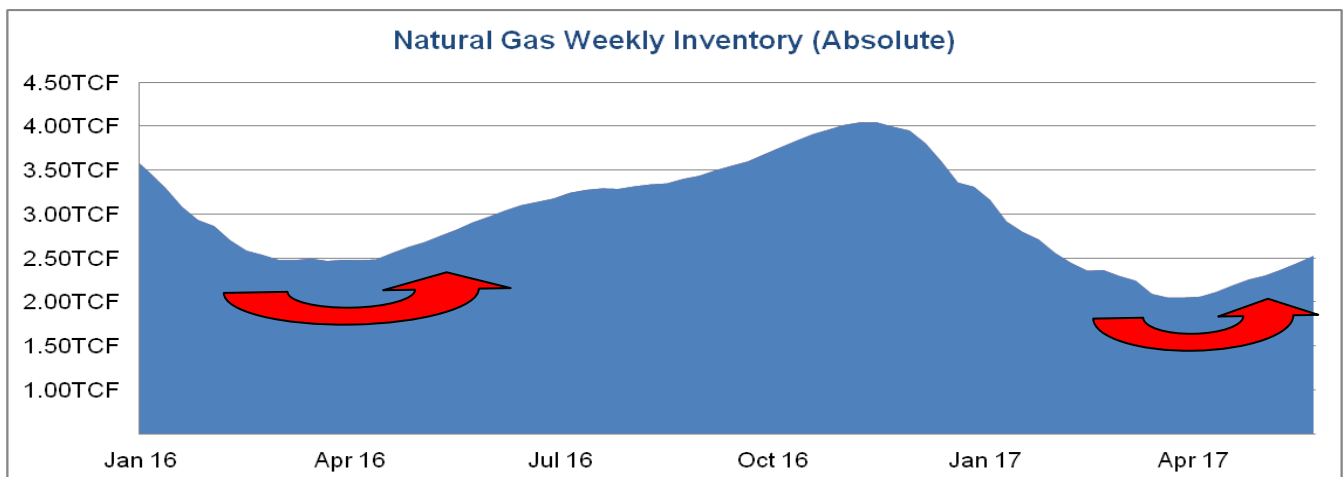
Source: Reuters

EIA Natural Gas Inventory Analysis



Source: Bloomberg

Blue Area: Storage Change (BCF- Billion(s) of Cubic Feet)

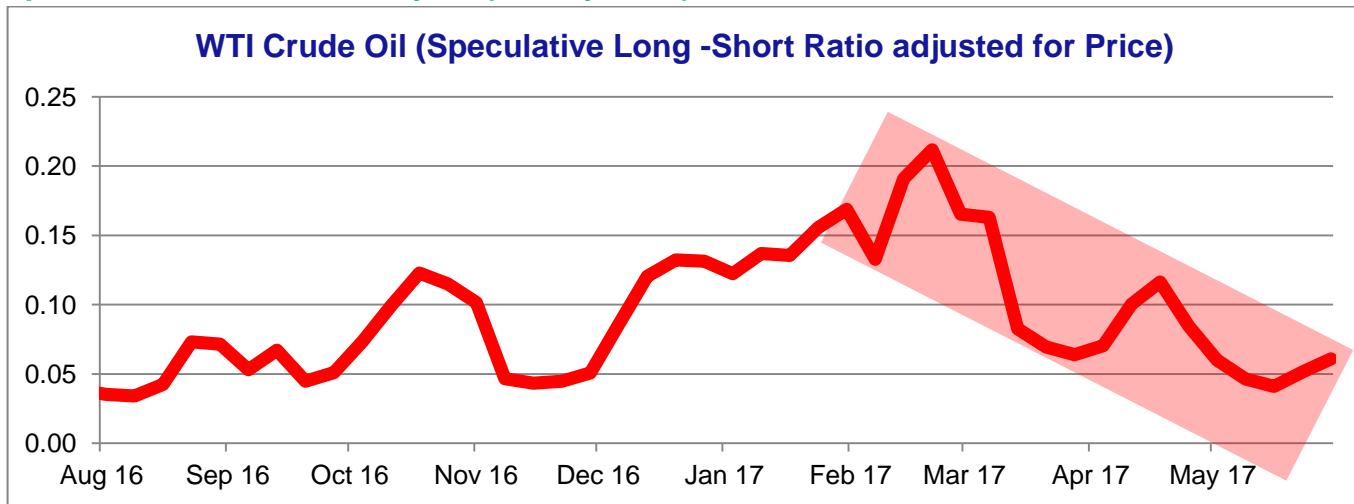


Source: Bloomberg

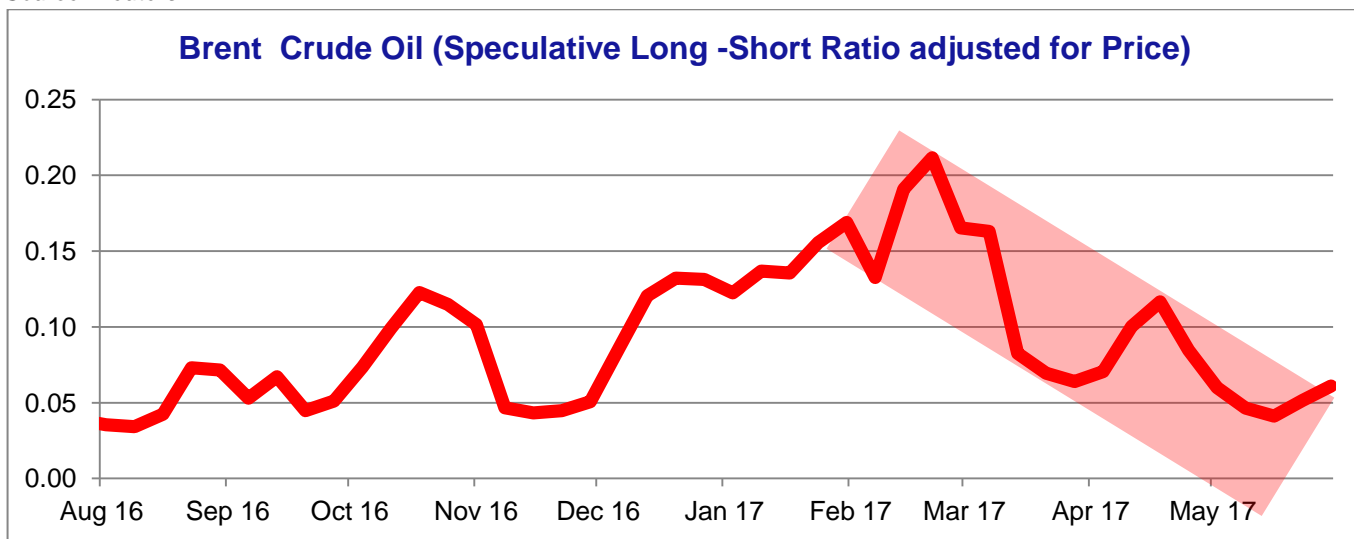
Blue Area: Absolute Storage (TCF- Trillion(s) of Cubic Feet)

U.S natural gas storage seasonally increases around the start of the U.S summer season every year. As of 26th May 2017, U.S natural gas inventories stand at 2.52 Trillion(s) of Cubic Feet. **Rising seasonal inventory levels have put downward pressure on natural gas prices.**

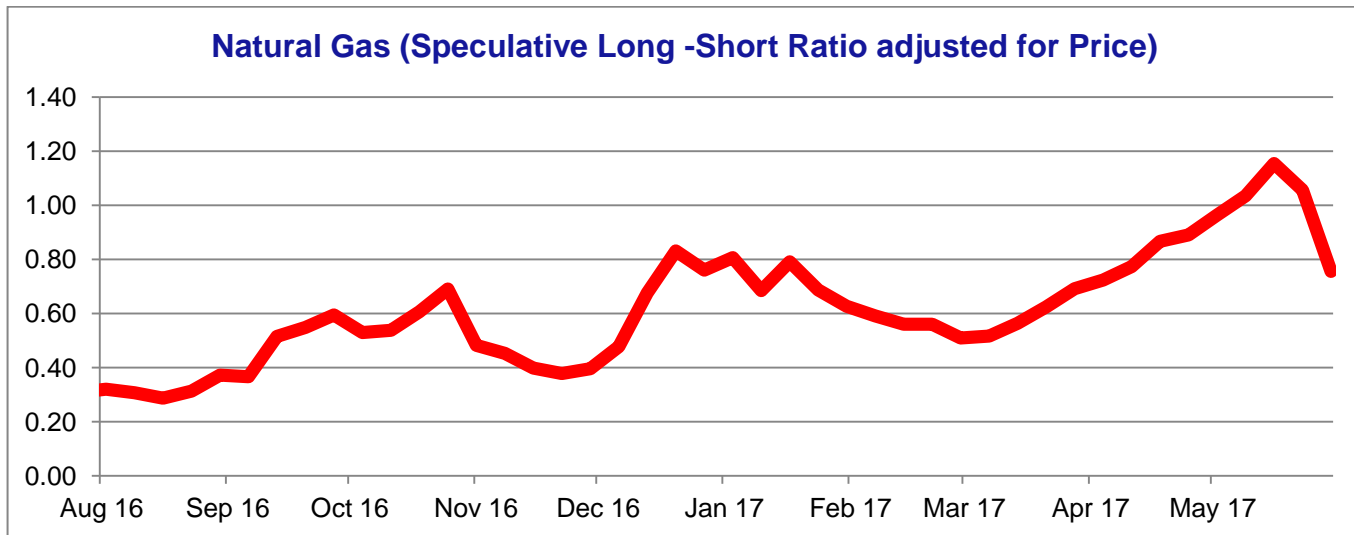
Speculative Positions Analysis (30 May 2017)



Source: Reuters



Source: Reuters



Source: Reuters

Based on latest Commitment of Traders price-adjusted long-short ratio released by CFTC and ICE on speculative open interest position as of 30th May 2017, crude oil speculative selling continues to trend lower, while the Natural Gas speculative sell-off has just started from a significantly higher point.

Weekly Outlook

Based on the facts, data and analysis presented in this report, I am bearish-biased for both crude oil and natural gas prices for the upcoming week.

Price Targets:

Crude Oil (WTI): US\$ 44.13/Bbl

Crude Oil (Brent): US\$ 46.93/Bbl

Natural Gas: US\$ 2.900/MMBtu

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