

Daily Close Price Changes

Product (NYMEX)	28-Jul	1d chg	% Change
WTI Sep'15	47.98	0.59	1.2%
WTI Oct'15	48.41	0.56	1.2%
Natural Gas Sep'15	2.816	0.028	1.0%
Natural Gas Oct'15	2.845	0.029	1.0%
RBOB Gasoline Sep'15	1.7484	-0.018	-1.0%
RBOB Gasoline Oct'15	1.5596	-0.013	-0.8%
NYH ULSD Sep'15	1.6122	0.008	0.5%
NYH ULSD Oct'15	1.6275	0.007	0.4%

Product (ICE)	28-Jul	1d chg	% Change
Brent Sep'15	53.3	-0.17	-0.3%
Brent Oct'15	53.86	-0.07	-0.1%
Gasoil Sep'15	499	4.75	1.0%
Gasoil Oct'15	505.75	4.5	0.9%

Product (TOCOM)	28-Jul	1d chg	% Change
Crude Oil Sep'15	40230	-1300	-3.2%
Crude Oil Oct'15	40510	-1150	-2.8%
Gasoline Sep'15	49800	-1250	-2.5%
Gasoline Oct'15	50730	-1750	-3.4%
Kerosene Sep'15	55430	-680	-1.2%
Kerosene Oct'15	54730	-640	-1.2%

Source: Reuters

Energy Daily Outlook

Oil prices may have found its bottom just before US inventories; however, headwinds from FOMC meeting could be deadly.

Market Commentary

Fundamental and Technical Analysis

US crude inventories will be released at 10.30pm tonight (Singapore Time): With the recent increases in US crude inventories, **this figure grows crucial for prices and especially for the spreads between WTI and Brent.** Spreads are already at a wide amount of about -\$5 which is factoring the high amounts of inventories we are seeing now. **If US crude inventories do not decrease during this period, this should widen the spreads.** In terms of fundamentals, we are eyeing US crude production again. **US crude production has been stagnant and should continue this way for prices to increase in the long run.**

US FOMC meeting will end tomorrow at 2am (Singapore Time): The correlation between the US Dollar Index and oil prices remains highly negative at this point of time. **With the FOMC statement usually affecting the USD strength by a large extent, we believe that oil prices would be affected by it.** A hawkish statement from the FOMC meeting would easily push the USD strength up again, **which will inversely push crude prices down. Thus, wary that oil prices could test supports once again.**

Market Summary

Crude Oil: Prices seem to have found the bottom of this rout as prices rebounded off a support of \$46.92 and \$52.68 for WTI and Brent Sep'15. The rebound came at a slightly lower support than we have expected. **However, prices are still finding some resistance at the hourly SMA100 which puts question to this rebound.** We are seeing WTI Sep'15 stopping directly at this SMA100 and moving forward, would be crucial when prices to move past this level. **Therefore, would only be fully convinced if prices manage to break resistance today.** Headwinds would definitely be felt if the US Dollar Index increases coming from the FOMC meeting. Hence, suggesting that the FOMC meeting will be crucial. **No matter the result of key events, we would think that today would be a critical day for oil trends.** For WTI and Brent Sep'15, we see support at \$46.92 and \$52.68. As for resistance, WTI and Brent Sep'15 should be \$48.29 and \$53.92. We could also use the hourly SMA100 for WTI as we see resistance there.

Natural Gas: Prices continue to inch up before US natural gas inventories which will be released tomorrow night. **With our continued belief in seasonal demand, we believe that it is normal for prices to move higher in preparation of this.** Prices may face headwinds from current robust inventories, however, **ultimately will succumb to the increased seasonal demand.** Therefore, we would believe that even if inventories do show strength, this would provide good opportunities to enter on discounts. **This position anticipates upside potential when seasonal demand kicks in which should bring Natural Gas Sep'15 contract to \$2.961.**

Trading Recommendations:

Crude Oil

Short Term Positions:

- Buy WTI Sep'15 **Call** Options at-the-money or more out-of-the-money strikes. This position is for investors who want to enter WTI on discount and capture the potential upside that could result after bearish news clear out.

Natural Gas

Short Term Positions:

- No position advised.

Long Term Positions:

- Buy Natural Gas Sep'15 at \$2.753. Take profit before \$2.961 and cut loss \$2.624 (End of July)

Spreads Based On Daily Close Prices:

Oil Spreads	28-Jul	20d avg	20d Max/Min
WTI-Brent (ICE) Sep'15	-5.32	-5.623	-4.19 / -6.94
WTI-Brent (ICE) Oct'15	-5.45	-5.664	-4.42 / -6.82
321Crack (NYMEX) Sep'15	23.546	24.408	25.89 / 22.53
321Crack (NYMEX) Oct'15	18.044	18.683	19.7 / 17.17

Calendar Spreads	28-Jul	20d avg	20d Max/Min
WTI (NYMEX) Sep'15-Oct'15	-0.43	-0.390	-0.28 / -0.49
WTI (NYMEX) Oct'15-Nov'15	-0.62	-0.532	-0.34 / -0.68
WTI (NYMEX) Nov'15-Dec'15	-0.68	-0.562	-0.35 / -0.71
WTI (NYMEX) Dec'15-Jan'16	-0.67	-0.510	-0.3 / -0.7
Nat Gas (NYMEX) Sep'15-Oct'15	-0.029	-0.029	-0.023 / -0.036
Nat Gas (NYMEX) Oct'15-Nov'15	-0.117	-0.105	-0.091 / -0.118
Nat Gas (NYMEX) Nov'15-Dec'15	-0.174	-0.178	-0.165 / -0.196
Nat Gas (NYMEX) Dec'15-Jan'16	-0.076	-0.108	-0.047 / -0.185
Brent (ICE) Sep'15-Oct'15	-0.56	-0.433	-0.35 / -0.57
Brent (ICE) Oct'15-Nov'15	-0.64	-0.541	-0.5 / -0.65
Brent (ICE) Nov'15-Dec'15	-0.61	-0.534	-0.48 / -0.61
Brent (ICE) Dec'15-Jan'16	-0.58	-0.497	-0.43 / -0.58

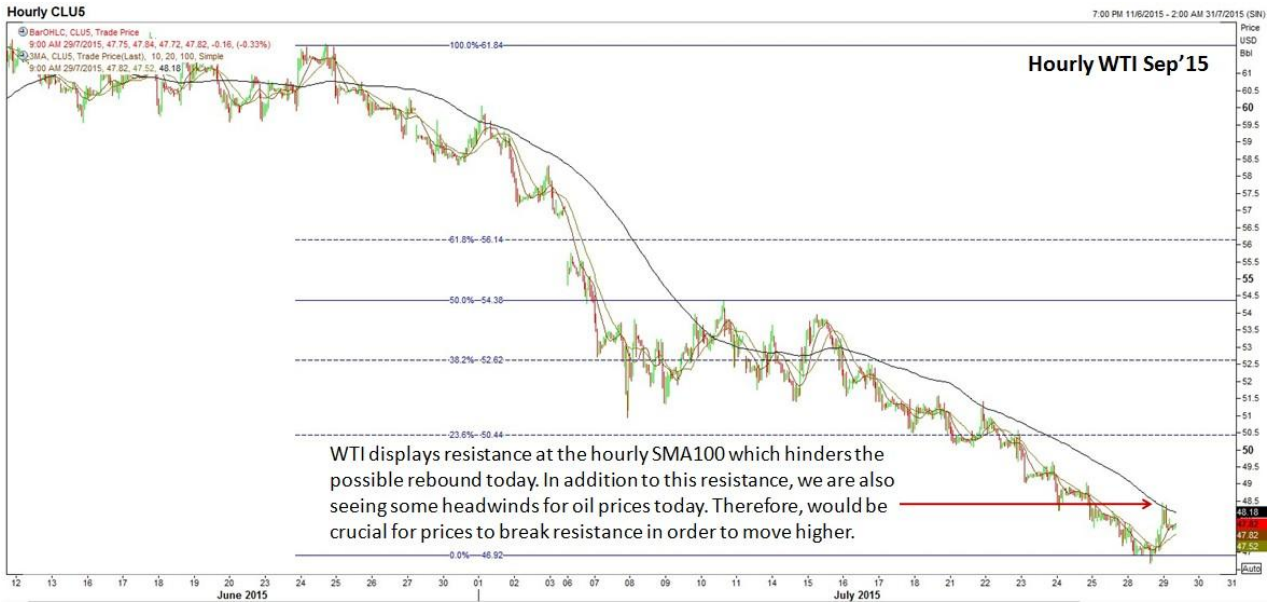
Options Premiums for Previous Trading Day:

Oil Options	ATM-5	ATM-3	ATM-1	ATM*	ATM+1	ATM+3	ATM+5
WTI Call Active Month	3.30	2.54	1.87	1.58	1.32	0.88	0.56
WTI Put Active Month	0.50	0.74	1.07	1.28	1.52	2.08	2.76
WTI Call Next Active Month	4.29	3.63	3.03	2.75	2.48	2.00	1.59
WTI Put Next Active Month	1.43	1.77	2.17	2.39	2.62	3.14	3.73

*At-The-Money (ATM) option refers to the strike that is nearest to the current price while the numerical digit beside it refers to the next nearest strike away from the ATM option. Premiums for options shown may experience a time lag.

Source: Reuters

Hourly WTI Sep'15 with SMA and Fibonacci Retracement Overlay (Last at 9.00am)



Source: Reuters, Phillip Futures

Hourly Brent Sep'15 with SMA and Fibonacci Retracement Overlay (Last at 9.00am)



Source: Reuters, Phillip Futures

ENERGY DAILY

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