



CRUDE WATCH

OIL GAINS ON RISK, TIGHT SUPPLY

Oil prices extended gains, on the way to second weekly rise, as geopolitical risk mounted and global crude supplies remained tight. Brent crude settled at \$91.17 a barrel, up 52 cents. US West Texas Intermediate crude finished at \$86.91 a barrel, up 32 cents. *Reuters*

On track for more gains

CRUDE CHECK. Crude oil futures eye ₹8,000

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Crude oil prices rose over the past week. Brent crude oil futures on the Intercontinental Exchange (ICE) was up 4.5 per cent by closing at \$90.9 per barrel. Crude oil futures on the MCX was up 5.4 per cent by ending the week at ₹7,284 a barrel.



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BRENT CRUDE FUTURES (\$90.9)

Brent Crude futures has closed just above the resistance at \$90. This is a positive signal and the probability of the price going up further is high.

Given the prevailing momentum, Brent crude futures can touch \$96 soon. A breach of this can lift the contract to \$100.

On the other hand, if the contract declines, it can find support at \$85. Only a breach of this will turn the near-term trend bearish. Immediately below this level, there are support levels at \$84 and \$81.

MCX-CRUDE OIL (₹7,284)

The April crude oil futures broke out of ₹7,000 comfortably and closed at ₹7,284. The chart hints at more rally in the forthcoming sessions.

Although ₹7,500 is a hurdle, we expect the crude oil futures to surpass this level and touch ₹7,800 in the near term. A breakout of this level can take the contract to ₹8,000, a resistance.

On the other hand, if the contract falls from here, it can find support at ₹7,000. Below this is the 20-day moving average support at ₹6,800. The price band of ₹6,700-6,800 is a support. A decline below ₹6,700 is less likely.

Only a break below ₹6,500 will turn the outlook bearish.

Trade strategy: Go long on crude oil futures at the current level of ₹7,284. Add more longs in case the contract dips to ₹7,050. Keep initial stop-loss at ₹6,700.

When the contract rises above ₹7,500, tighten the stop-loss to ₹7,300. On a rally to ₹7,800, raise the stop-loss further to ₹7,600. Book profits at ₹8,000.