

TRADING EDGE

12th February 2020

MCX CRUDE OIL MARCH

Recommendation

Symbol:
Crude oil March

Entry:
3642

Target:
3980/4100

Stop loss:
3400

Risk Reward:
1: 1.90

Technical Triggers

Weekly RSI (14):
38.32

Daily RSI (14):
33.80

Weekly
Stochastic: 5.42

Daily Stochastic:
12.86



- ✓ After making a high of 4663 in the first week of January, since then crude oil price has been trading on a corrective note and from the high of 4663 crude oil price has tumbled 24% or 1139 points and almost comedown till the June 2019 lows of 3560 levels.
- ✓ On the technical front, Crude oil price is trading in a horizontal channel, ranging between 3520 - 4705 for last one year. In the recent fall the crude oil has precisely tumbled till the lower band supports and from where, it has witnessed re-bounce for multiple times. On the other hand, it is gradually heading towards the long term rising trend line support which are currently placed at 3450 levels.
- ✓ Looking at the above chart, we expect crude price has bottomed out and therefore we could see price recovering from current levels and bounce towards 3980 then 4100 of 38.2% & 50% retracement levels of the previous fall seen from (4663 - 3562).
- ✓ Due to massive fall in prices the major momentum indicator RSI (14) has come down till 36 mark and stochastic oscillator has slipped till 10, which are signifying prices moving into oversold zone territory.
- ✓ Therefore, we advise buying crude oil March contract at current levels of 3642 for targets of 3980 then 4100 levels with stop loss placed at 3400.

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TEAM

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