

TRADING EDGE

28th October 2020

MCX CRUDE OIL NOV

Recommendation

Action:
SELL

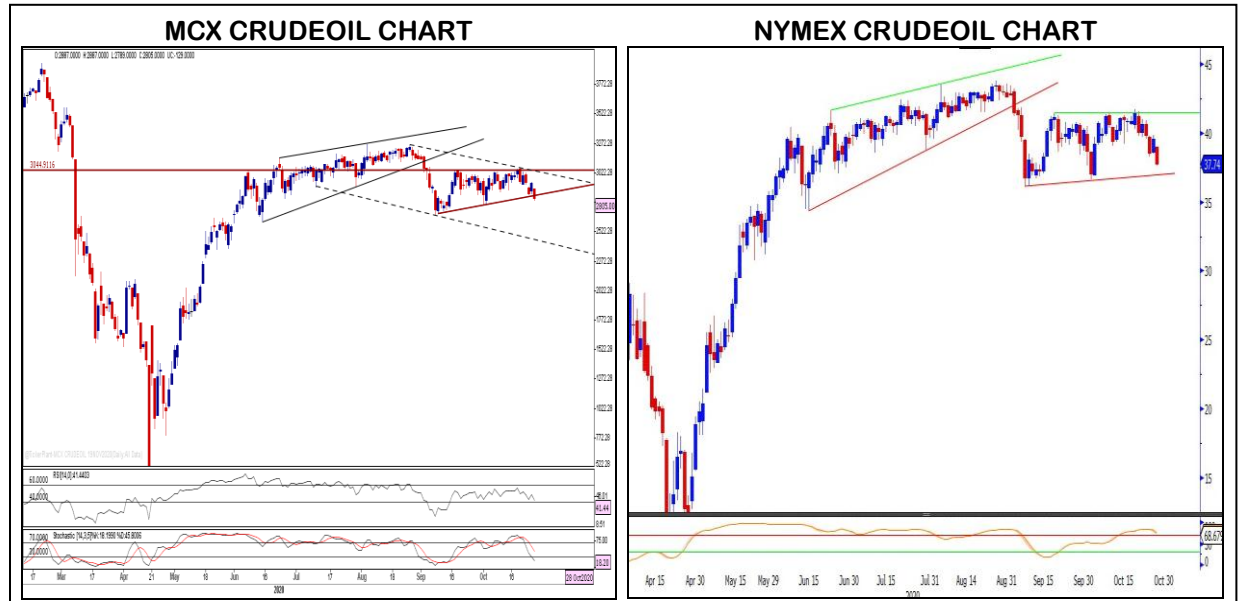
Symbol:
MCX CRUDE OIL
NOV

Entry Point:
2830

Target:
2400

Stop loss:
3060

Risk Reward:
1: 1.87



- ✓ After plummeting to historical low of -2884 levels in April series, Crude oil price has shown decent recovery in last six months and gained more than 60 percent of the fall noticed from its January 2020 highs of 4670.
- ✓ During the month of August, crude oil prices witnessed a sharp correction till the low of 2675, after break down from its rising wedge pattern. Since, then crude oil has been in a sideways to consolidation range and in this due process it formed an “Ascending Triangle” pattern.
- ✓ In today session, crude oil price finally broke the rising trend line support of said triangle pattern and resume its correction. As per the triangle pattern the down side targets are projected till 2460 and it is converging with the lower band supports of falling trend channel drawn by connecting its previous tops and subsequent bottoms. Whereas, NYMEX crude oil prices which are trading in a “Rectangle Channel” are heading towards the lower band supports. Any breakdown below the support line will lead to further confirmation (Chart shown in the right side).
- ✓ RSI (14) momentum indicator is witnessing strong supports around 45 levels on weekly scale and any break below that will lead to further weakness in prices. Stochastic oscillator which already signaled negative cross over is supporting our hypothesis.
- ✓ Considering the above chart structure, we expect near term weakness in crude oil prices therefore we advocate to build short position in November month contract below 2830 with a down side price target of 2400. Stop loss to be placed at 3060 above which our bearish view will be negated.

TRADING EDGE

TEAM

ANALYST	DESIGNATION	EMAIL	TELEPHONE
Monil Shah, CMT	AVP – Technical Analyst – Equity & Forex	monilshah@way2wealth.com	+9122-61462980
Harish Jujarey	Sr. Technical Analyst – Equity, Commodity & Forex	harishjujarey@way2wealth.com	+9122-61462981
Rakesh Gandhi	Technical Analyst – Forex & Commodity	rakeshgandhi@way2wealth.com	+9122-61462982

Analyst Certification: I, Harish Jujarey, the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Harish Jujarey, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavourable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.