

Oil Set To Record Longest Winning Streak In 3 Years:

Crude oil prices are set to record the longest string of monthly gains since early 2018, April is the fifth month in a row that oil prices will end with gains, despite the slips caused by demand uncertainty as China continued to pursue its zero-Covid policy, locking up several large cities. Despite these demand worries, the upside potential for prices remains considerable as the European Union reports progress on an oil embargo against Russia. Previously a staunch opponent of such a move, Germany has now mellowed, with economy minister Robert Habeck say that "Germany had already considerably reduced its Russian crude imports". These updates from Germany became the latest to push oil prices up, reversing losses brought about by the demand worries. If an embargo is agreed upon, prices will soar even higher and extend their gains streak into next month.

OPEC+, meanwhile, is meeting this Thursday (5-May-2022) for its regular discussion of production. Expectations from analysts point to zero change in strategy, meaning the cartel will likely stick to its original arrangement of adding approximately 400,000 bpd to its combined output every month even though many member states have consistently failed to deliver.

Last month, OPEC alone added just 57,000 bpd in production, which was substantially lower than its quota of over half of the agreed 400,000 bpd monthly increase in OPEC+ output. The figure represented production declines in some OPEC members, such as Nigeria and Lybia, with most of the group's increase in output coming from Saudi Arabia.

(Source: <https://oilprice.com/>)



Technical Outlook:

MCX CRUDEOIL (MAY) futures chart has formed "Descending Triangle Pattern" pattern on a daily time frame. As we saw prices have taken bounce from trend-line support levels and managed to sustain above it. As per the technical aspects based on the current price action, the market is expected to continue its bullish trend. 8500-8300 is a resistance zone if it manages to sustain above it then the upside rally could extend up to 8800-9100 levels in the upcoming sessions. Alternatively, if the resistance holds strong then there is a chance of a pullback up to the level of 7800-7200. Key support holds at 7200.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
MCXBULLDEX	25-May-22	INDEX	14826	-1.94%	16286/13861	14425	14625	14853	15053	15281	MODERATE
GOLD	3-JUN-22	10 GM	51760	-0.96%	55558/47000	50279	51016	51566	52303	52853	UP
SILVER	5-Jul-22	1 KG	64351	-3.36%	73080/59951	62321	63335	65093	66107	67865	MODERATE
CRUDE OIL	19-May-22	Rs/bbl	8096	3.29%	9996/5544	6963	7530	7901	8468	8839	UP
NG	25-May-22	Rs/mmBtu	558	9.44%	615/264	454	505	539	590	624	UP
COPPER	31-May-22	1 KG	783	-2.87%	886/731	765	773	790	798	815	MODERATE
NICKEL	31-May-22	1 KG	2465	-1.60%	5617/1543	2401	2438	2501	2538	2601	MODERATE
LEAD	31-May-22	1 KG	186	-0.05%	198/182	183	185	186	188	189	MODERATE
ZINC	31-May-22	1 KG	344	-7.85%	377/285	326	335	351	360	376	DOWN
ALUMINIUM	31-May-22	1 KG	251	-7.51%	325/223	240	245	256	261	272	DOWN