

**Oil drops 13% in worst day of 2021, breaks below \$70 as new Covid variant sparks global demand concerns:**

Oil posted its worst day of the year on Friday, tumbling to the lowest level in more than two months as the new Covid-19 strain sparked fears about a demand slowdown just as supply increases. The leg lower came amid a broad sell-off in the market with the Dow dropping more than 900 points. The World Health Organization warned Thursday of a new Covid variant detected in South Africa.

U.S. oil settled 13.06%, or \$10.24, lower at \$68.15 per barrel, falling below the key \$70 level. It was the contract's worst day since April 2020.

A decrease in travel and potential new lockdowns, both of which could hit demand, come just as supply is about to increase.

OPEC and its oil-producing allies are set to meet on Dec. 2 to discuss production policy for January and beyond. The group has slowly eased the historic output cuts it agreed to in April 2020 as the CORONAVIRUS sapped demand for petroleum products. Since August the group, known as OPEC+, has returned 400,000 barrels per day to the market each month.

(Source: <https://www.cnbc.com/>)



**Technical Outlook:**

MCX CRUDEOIL (DEC) futures technical chart has formed an "Ascending Broadening Wedge" pattern in a daily chart. In last session crude oil prices plunged nearly 12% in a day due to new Covid-19 strain concern. The market is expected to continue its bearish momentum based on the current price action. The support zone of 5000-4950 plays an important role for the future direction of crude oil prices, if prices break and sustain below the key support level of 4950 then the down side rally could test 4800-4650 levels in the upcoming trading sessions. On Contrary, if support hold strong then a bounce toward the resistance level of 5330-5480 might be possible in upcoming days.

| @ Futures  | Expiry Date | Quotation/ Base Value | Close | WoW % change | 52 wk H/L   | S2    | S1    | Pivot | R1    | R2    | Trend    |
|------------|-------------|-----------------------|-------|--------------|-------------|-------|-------|-------|-------|-------|----------|
| MCXBULLDEX | 24-Dec-21   | INDEX                 | 14180 | -3.10%       | 16399/13564 | 13764 | 13972 | 14318 | 14526 | 14872 | DOWN     |
| MCXMETLDEX | 22-Dec-21   | INDEX                 | 16615 | -0.42%       | 18511/13242 | 16134 | 16375 | 16785 | 17026 | 17436 | DOWN     |
| MCXENRGDEX | 08-Dec-21   | INDEX                 | 5624  | -5.81%       | 6729/5548   | 5171  | 5393  | 5771  | 5993  | 6371  | DOWN     |
| GOLD       | 04-Feb-21   | 10 GM                 | 47995 | -2.25%       | 51875/43320 | 46560 | 47260 | 48207 | 48907 | 49854 | DOWN     |
| SILVER     | 04-Mar-21   | 1 KG                  | 62900 | -5.59%       | 74426/58150 | 59632 | 61298 | 64217 | 65883 | 68802 | DOWN     |
| CRUDE OIL  | 17-Dec-21   | Rs/bbl                | 5161  | -7.89%       | 6341/5161   | 4629  | 4895  | 5404  | 5670  | 6179  | DOWN     |
| NG         | 28-Dec-21   | Rs/mmBtu              | 413   | 9.87%        | 485/176     | 324   | 368   | 392   | 436   | 460   | UP       |
| COPPER     | 31-Dec-21   | 1 KG                  | 726   | -1.25%       | 815/585     | 708   | 718   | 736   | 746   | 764   | DOWN     |
| NICKEL     | 31-Dec-21   | 1 KG                  | 1546  | 1.28%        | 1641/1145   | 1469  | 1508  | 1557  | 1596  | 1645  | MODERATE |
| LEAD       | 31-Dec-21   | 1 KG                  | 185   | -0.80%       | 196/155     | 178   | 182   | 185   | 189   | 192   | MODERATE |
| ZINC       | 31-Dec-21   | 1 KG                  | 269   | 0.96%        | 325/201     | 253   | 260   | 267   | 274   | 281   | MODERATE |
| ALUMINIUM  | 31-Dec-21   | 1 KG                  | 209   | -2.36%       | 258/159     | 201   | 205   | 212   | 216   | 223   | MODERATE |