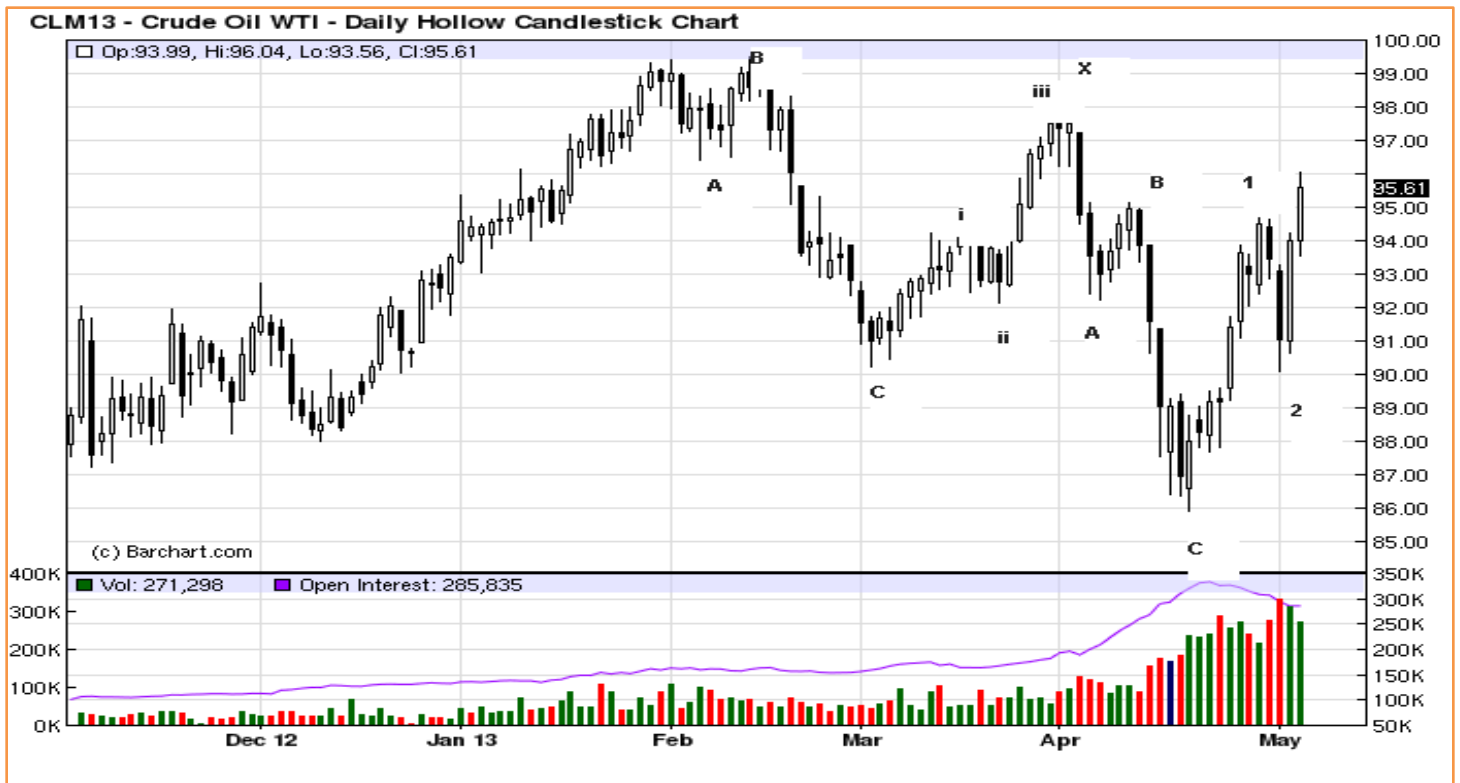




CRUDE – OIL JUNE FUTURE



Outlook :

After a strong upward movement in March, Crude oil tumbled heavily in first 3 weeks of April correcting around 15% and sending prices as low as 4737 for MCX June contract & \$85.90 at NYMEX. On analyzing the daily chart of NYMEX Crude, the price cycle of last 3 months i.e. February, March & April 2013 led us to an Elliott wave based reversal structure called 'Double Three'. A 'Double Three' pattern usually has 2 set of corrective ABC waves which are joined by an 'X' wave of opposite direction. The low of \$85.90 at NYMEX has already turned into a completion point of the above pattern and the phenomenal bounce back seen in last two weeks confirms the presence of enough impulsion in days to come. Thus, from here we can foresee the impulsive momentum unfolding into a full-fledged bullish structure comprising of the orthodox 5 sub-waves. All in all, ample opportunities for crude oil traders (bulls) are lying ahead in the month.



In last week, we saw two sessions of sharp correction (up to Rs.4872) filling the space of 2nd wave which immediately formed after a 10 days long 1st wave (Rs.4737-Rs.5165). We are now into 3rd wave which began its run in an electrifying way on 2nd of May, Thursday and broke out on Friday with important fundamental support from highly positive US employment, NFP data and falling Gasoline inventories which overshadowed the surplus crude inventory numbers. Momentum indicators are also going strong in favor coupled with high volume & a decent open interest. **Buy MCX June contract above Rs.5225 with stop loss below 5050 for targets Rs.5500 & Rs.5620.**

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