

Prices could inch up

CRUDE CHECK. But broader range remains valid

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The prices of crude oil dropped last week. The down move was because of the dollar strength and the continued increase in the US inventories. According to the EIA (Energy Information Administration), the crude oil stocks in the US increased by 7.6 million barrels as against the expected increase of 2.9 million barrels for the week ended February 17.

Notably, the inventory rose 16.3 million in the week before. Thus, a cumulative increase of nearly 24 million barrels in two weeks did raise demand concerns, weighing on the energy commodity. However, the prices recovered in the last two sessions as there were some strong supports.

The Brent crude futures on the Intercontinental Exchange (ICE) posted a marginal 0.2 per cent gain as it closed at \$83.16 a barrel. Similarly, the MCX crude oil futures (March contract) gained 0.4 per cent and ended the week at ₹6,342 per barrel.

MCX-CRUDE OIL (₹6,342)

Last week, the March futures of crude oil declined until Wednesday. However, the contract found support at ₹6,150 against which it performed a recovery. For the week, it posted a gain of 0.4 per cent. Yet, the contract stays within the broad range of ₹6,000-6,750.



But now that the crude oil futures has rebounded from the range bottom, we might see it moving north in the coming week. It might test the range top of ₹6,750. Resistances above ₹6,750 are at ₹7,000 and ₹7,250.

On the other hand, if the contract slips below ₹6,000, the trend might turn bearish. Support below ₹6,000 are at ₹5,550 and ₹4,850.

Trading strategy: We had recommended to take fresh trades only at the boundaries of the range. In line with our expectation, the March crude oil futures fell and thus, the buy order at ₹6,150 would have been triggered on Wednesday.

We asked to add more longs if the price fell to ₹6,075 and place stop-loss at ₹5,900. Since the price did not fall to ₹6,075, traders would now be holding longs initiated at ₹6,150 with stop-loss at ₹5,900.

Hold these longs. Add more longs at ₹6,075 only if price falls to this level before rallying past ₹6,500.

In any case, when the contract rises past ₹6,500, tighten the stop-loss to ₹6,300. Exit at ₹6,700.

IndianOil commits to achieving net zero by 2046 through new green initiatives



Mr. NM Nimje, Chief General Manager, Odisha State Office, IndianOil interacted with media delegates during a press meet in presence of other senior officials including Mrs. Susmita Tripathy, GM (CC Planning & Coordination) ODSO, Mr. Krishnendu Chaudhuri, GM(CC) ER.

Speaking on the occasion, Mr. NM Nimje said, "IndianOil has declared 2023 as the year of "Strengthening the Green Resolve." Going forward, we will immerse ourselves in new green opportunities and leverage the power of collaborations to strengthen our purpose.

