

EXCLUSIVE REPORT ON CRUDE OIL



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Crude Oil again a primary concern for some countries like Venezuela, whose economy is operated on oil exports, as the prices dropped to its 5 months low. Technically Crude oil is consolidating in a channel line since April 2016 majorly trading in a range 2900 to 3700. It registered a free fall after breaking crucial support of 3450. It is now consolidating just below the lower trend line of the long term channel line and holding support at 3100. A bounce back is expected in prices if sustains above 3100, it may correct sharply up to 3350-3450 levels at the end of the April Contract. But the primary trend remains bearish. A break down below 3100 may further extend bearish trend up to 2880. If it breaks 2900 with heavy volume, then 2600 should not be ruled out.

Technical View on Crude Oil (MCX)

Resistance and Support

3245

3360

3455

3650

3040

2880

2750

2600

Crude Oil



On U.S. commodity exchange (NYMEX) Crude Oil turned bearish after breaking consolidation range below \$52 as U.S. crude oil inventories reached record high at 533 million barrels set a bigger than expected 5 million barrel jump. Crude oil is now trading below \$50 mark and settled at long-term trend line starting from lows made in April 2016. Primary trend is bearish but a bounce back up to \$52-53 is form this trend line support. A break below \$47 will extend the bearish trend up to \$42-41. COT (Commitments of Traders) Report also suggest that Commercial traders and hedgers are still bearish on Oil. A bounce in prices will give selling opportunity in crude oil as primary trend remains bearish.

Technical View on Crude (NYMEX)

Resistance and Support

| | | | |
|------|------|------|------|
| 50.5 | 51.7 | 53.3 | 55 |
| 47 | 45.5 | 43.7 | 42.2 |

Crude Oil



Crude oil is the highest consumed commodity in the world. Countries are dependent on its import and export. Gulf country economies are majorly dependent on crude export but in recent years U.S. shale oil (a substitute of crude oil) supply puts pressure on crude oil prices because of major U.S. Shale oil supply demand of crude decreased. Crude oil exporting countries supply was affected by U.S. Shale oil and with lower demand and higher supply crude oil prices touched the lows of 2008 crises. In recent months major exporting countries of crude oil have decided to cut the supply so they can support the falling prices of crude. Major exporting countries of crude are listed below.

Facts & Figures

| Rank ↕ | Country/Region ↕ | Oil - exports (bbl/day) ↕ | Date of information ↕ | Oil - exports (bbl/day) ↕ | Date of information ↕ |
|--------|--|---------------------------|-----------------------|---------------------------|-----------------------|
| 1 |  Saudi Arabia | 6,880,000 | 2011 est. | 8,865,000 | 2012 |
| 2 |  Russia | 4,720,000 | 2013 est. | 7,201,000 | 2012 |
| 3 |  Kuwait | 2,750,000 | 2016 est. | 2,300,000 | 2012 |
| 4 |  Iran | 2,445,000 | 2011 est. | 1,808,000 | 2012 |
| 5 |  Iraq | 2,390,000 | 2013 est. | 4,000,000 | 2016 |
| 6 |  Nigeria | 2,341,000 | 2010 est. | 2,500,000 | 2014 |
| 7 |  United Arab Emirates | 2,142,000 | 2010 est. | 2,595,000 | 2012 |
| 8 |  Angola | 1,928,000 | 2010 est. | 1,738,000 | 2012 |
| 9 |  Venezuela | 1,645,000 | 2010 est. | 1,712,000 | 2012 |
| 10 |  Norway | 1,602,000 | 2010 est. | 1,680,000 | 2012 |
| 11 |  Canada | 1,576,000 | 2011 est. | 1,579,000 | 2012 |
| 12 |  Mexico | 1,460,000 | 2010 est. | | |
| 13 |  Kazakhstan | 1,406,000 | 2010 est. | 1,355,000 | 2012 |
| 14 |  Qatar | 1,389,000 | 2012 est. | 1,843,000 | 2012 |
| 15 |  Libya | 1,378,000 | 2010 est. | 1,313,000 | 2012 |
| 16 |  Algeria | 1,097,000 | 2010 est. | 1,547,000 | 2012 |
| 17 |  Azerbaijan | 821,000 | 2011 est. | | |
| 18 |  Colombia | 777,900 | 2009 | | |
| 19 |  Oman | 705,100 | 2010 est. | | |
| 20 |  United Kingdom | 637,800 | 2013 est. | | |
| 21 |  Brazil | 619,100 | 2010 est. | | |
| 22 |  Ecuador | 413,000 | 2013 est. | | |

- Oil prices last week broke below \$50 a barrel for the first time since December as rising U.S. shale oil supply muted the impact of reductions in output from members of the Organization of Petroleum Exporting Countries and 11 other nations that started on Jan. 1.
- Several weeks of rising crude inventories had put pressure on oil prices. U.S. crude inventory levels remain near record highs. This comes at a time when U.S. producers are taking advantage of rising prices to crank up production. EIA data show in the latest week, U.S. output hit a 13-month high at 9.1 million barrels a day.



- China's crude-oil production declined by 8% in the months of January and February of this year, while crude oil imports increased by 12.5%.
- OPEC, which pumps about 40 percent of the world's oil, and several non-OPEC countries including Russia agreed in December to reduce production for six months in an effort to bring supply and demand into balance. At the time, the producers said they could extend the deal for an extra six months.
- Saudi Energy Minister Khalid Al-Falih said that OPEC would extend the cuts after they expire in June if oil stockpiles were "still above the five-year average." Because oil stocks are so far above that level, the target will probably still be out of reach.

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