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## **Crude oil : On the verge of breakdown!**

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## Crude Oil Fundamental Update

- China's weak stimulus dampens oil demand outlook.
- China's crude imports dropped 9% in October, continuing a six-month decline.
- Trade tariffs could reduce global GDP by 0.5%-0.6%; a 60% tariff on China could cut China's GDP by 2.4%.
- Hurricane Rafael weakened, easing Gulf oil production concerns.
- Trump presidency likely means fewer oil regulations, boosting U.S. supply.
- Record output from U.S., Canada, and Brazil limits price rises.
- President Trump's approach may push OPEC+ to accelerate production increase.
- Market awaits pro-consumption policies from China's December meetings.
- Prices expected to stay low amid trade tariffs, possible OPEC+ output rise, and Trump's oil-friendly policies.

# MCX Crude Oil Technical Update



- MCX Crudeoil is forming a **head and shoulder pattern** on a 4 hourly chart, rebounding from the right shoulder resistance
- Prices couldn't break through the key resistance level and are now trending downward, potentially nearing a breakout at neckline.
- We recommend initiating **short positions in the range of ₹5800-5820**, with a **stop loss above ₹6100** on a closing basis, **targeting ₹5500 and ₹ 5300**.

## NYMEX Crude Oil Technical Update



- NYMEX Crude Oil is also developing a **head and shoulders pattern** on a 4 hourly chart, showing a rebound from resistance at the right shoulder.
- Prices failed to break above the key resistance level and are now trending downward, possibly approaching a breakout near the neckline.
- We recommend initiating **short positions in the range of \$68.80-68.95**, with a **stop loss above \$72.25** on a closing basis, **targeting \$65 and \$62.70**.



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