

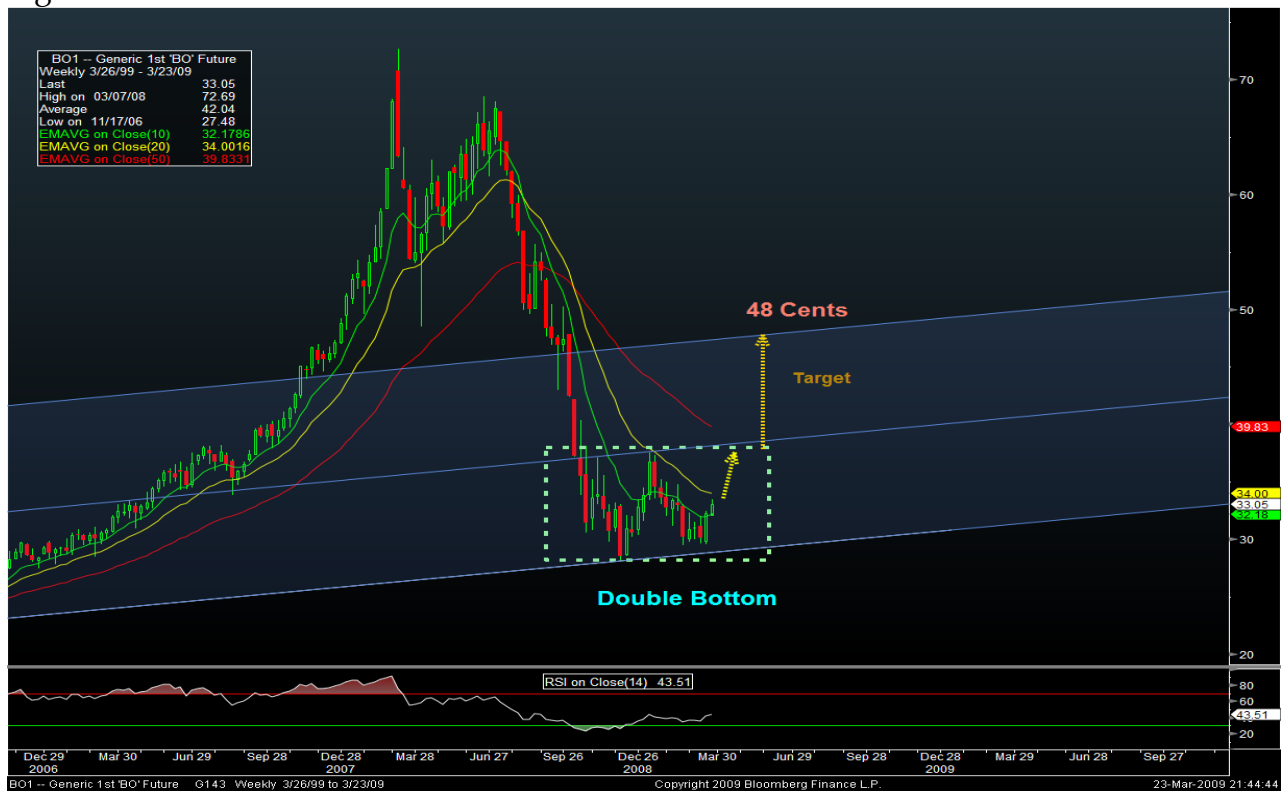
Technical Analysis: Soy oil

The Soy oil May future prices on CBOT platform were seen trading in a consolidation manner after making a low 28.16 cents from high of 68.59 cents by decreasing as much as -58.94%. There is a likely chance of “Double Bottom” pattern in the weekly chart, this pattern would be confirmed only on breach of 38 cents and if prices sustain above this level it is expected to move further high to test 48 cents which would be a target prices of “Double Bottom” formation.

In figure 1 a Rectangle dotted area indicates a possibility of Double Bottom formation, which may be a target price of 38 cents shown by dotted arrow vertical line. If market breaches and sustain above (or) one day close above 38 cents confirms the pattern, and one can take this as green signal for long position for the target of 48 cents.

The trend line is acting as support nearer to 28 cents levels. The weekly RSI is trading at 0.43 levels signalling slightly chances of testing overbought zone in the near term. A close above the 10 WEMA confirms the uptrend movement in the prices and market is heading towards 20 DEMA.

Figure 1



According to Andrew pitchfork trend line theory, market has witnessed a crucial support at 28 cents and currently moving towards median line near to 38 cents; on breach of the same may possible to test the target price of 48 cents in the near term.

Figure 2



Overall, we expect CBOT soy oil prices to trade higher in the near term for the target of 38 cents; one day close above 38 cents confirms an uptrend rally towards 48 cents.

Indian terms:

Support 1:410, Support 2:398

Resistance 1: 472, Resistance 2: 510

Recommendation: Buy in the range of 430-440 targeting 510 then 550 with stoploss below 396.

CMP

Contract	NCDEX	MCX
April	447	449
May	446	446
June	445	447

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