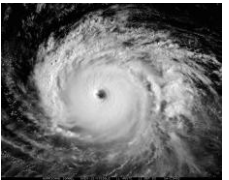
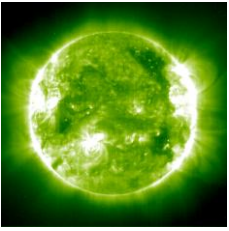


Energy Weekly

A Weekly Report on World Energy Market



Crude oil

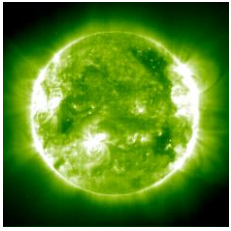
Review:

- At the beginning of the previous week economic data from US in the form of ISM non manufacturing index and pending home sales continued to show the economy recovering.
- While widespread speculation over positive economic data continued to move prices to an 18 month the market traced back as the dollar appreciated on concerns the plan decided by euro zone members to bail out debt burdened Greece may fail.
- DOE report during the week showed oil and distillate inventories building up by 1.976 million barrels and 1.074 million barrels while gasoline inventories fell by 2.498 million barrels. Refinery utilization rose substantially by 1.89 percent.
- Overall the report was mixed for prices. Prices fell after economic data showed Euro zone economy stagnating in Q4 compared to a 0.1 percent gain reported earlier. US weekly jobs report showed a rise in initial jobless claims while showing a drop in continuous claims.
- Overall the employment data was slightly negative for prices on account of a surprise rise in first time jobless claims.
- Concerns over Greece returned in the second half of the week but assuring statements from Greece finance minister and European central bank chairman helped calm down the decline in prices a little. Equity indices in US, Europe and Japan rose while Chinese equity indices traded lower.
- While the dollar index fell prices reached a high and low of \$87.09 and \$84.12 and closed the week at \$84.92 with a gain of 0.06 percent.

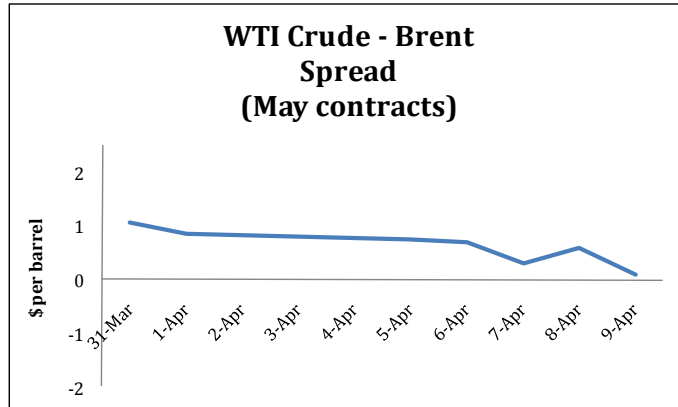
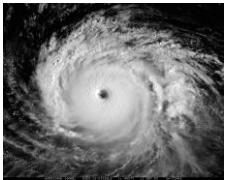
Exchange	Contract	Open	High	Low	Last	% Change	Volume	% Change	Open Interest	% Change
NYMEX (\$/bbl)	May	85.3	87.1	84.1	84.9	0.06	1717036	40.42	272121	-16.44
	June	85.6	87.6	84.9	85.6	0.34	840122	112.51	217648	12.45
MCX (Rs/bbl)	April	3836	3870	3726	3752	-2.04	566135	34.54	15771	-6.04
	May	3860	3893	3766	3789	-1.58	32162	56.50	3301	40.29

Outlook

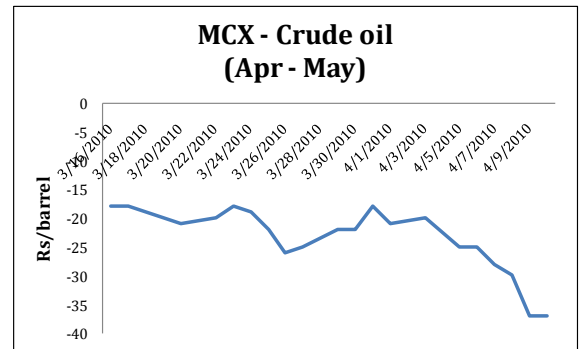
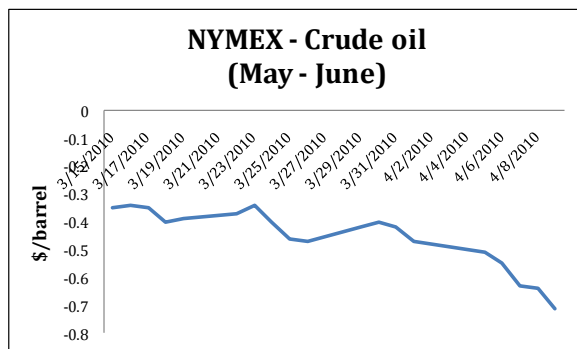
Economic indicators in the coming week are expected to be mixed for prices. The Greece issue might be put to rest for the time being but new development cannot be ruled out in the near future. The rise in distillate stocks seen during the previous week may be the first in a series to come. Higher refinery operating rates seen in the recent past may leave petroleum inventories higher especially with no strong seasonal demand. On account of the above factors prices may have an increased chance to trade lower during the coming week.



Energy Weekly



Calendar spread

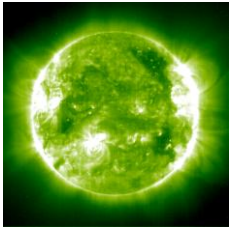


Technical analysis: NYMEX Crude oil – May

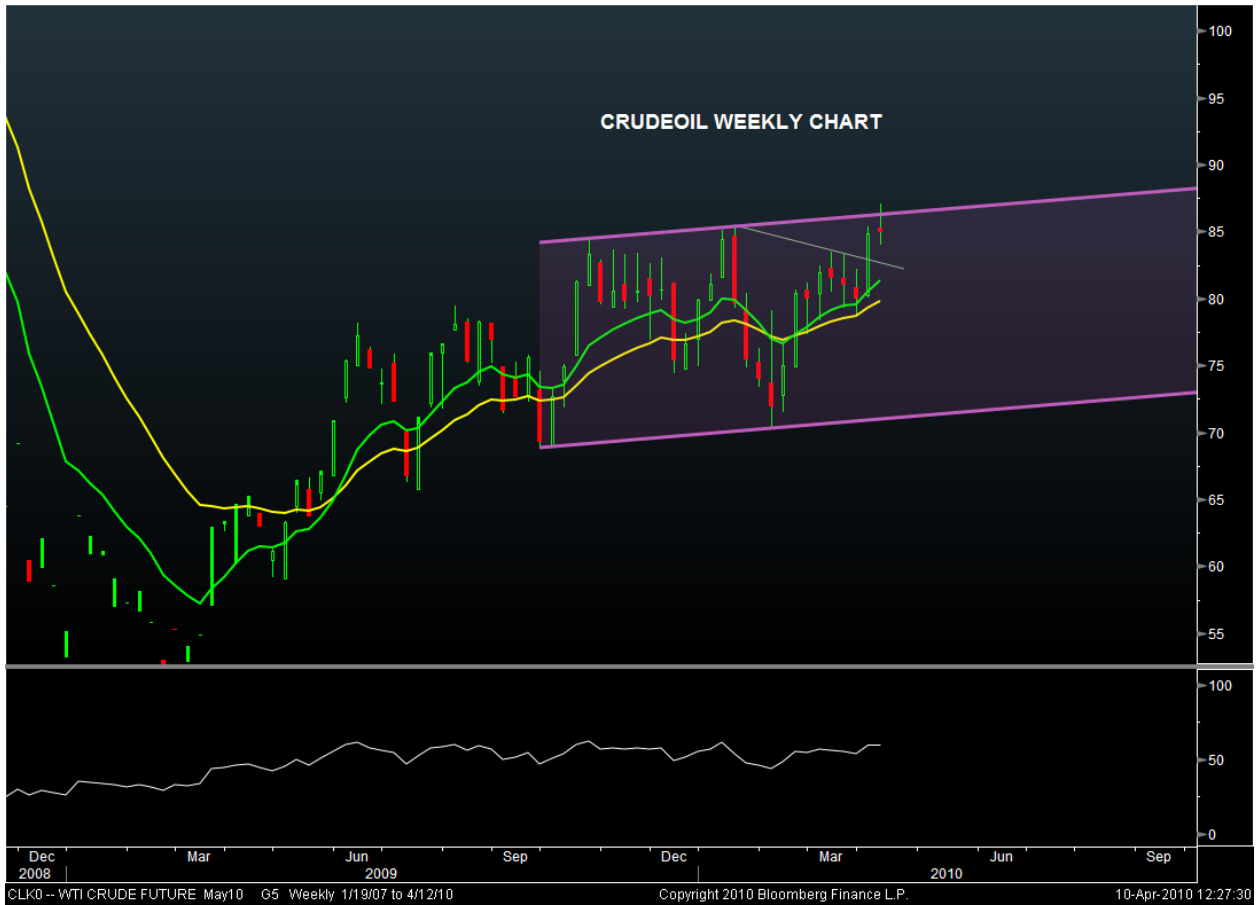
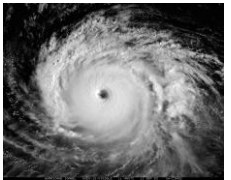
May futures crude oil prices traded indecisive and moved in the range of \$87.09 to \$84.12 with settling the week at \$84.92. Technically, it formed a Doji pattern in the weekly chart suggesting an indecisive phase for the sessions ahead. The weekly RSI (14) closed at 0.62 indicating bearish to neutral direction. Moreover, market is trading in a rising trend channel supporting by (10, 20) EMA shows overall trend is bullish for long term. Since, the prices have posted a Doji pattern closing a very short term corrections can not be ruled out. On the higher side the resistances are at 86 level breach and sustain above that likely to push the prices to test 92 levels. Likewise, on the lower side, supports are at \$83.66 and then \$ 82 levels.

Technical Outlook

This week market may trade in the range of sideways movement in the range of \$83- \$89. If the market breaks the \$85.45 levels and sustains above the same lead the prices to push up towards \$90.



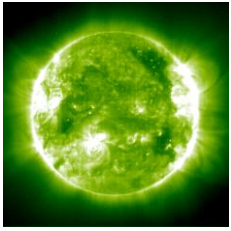
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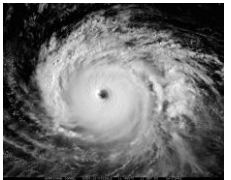
Commodity	Exchange	Contract	S2	S1	Weeks close	R1	R2
Crude oil	NYMEX	May	\$82.00	\$83.66	\$84.92	\$87.00	\$90.0
Crude oil (Rs)	MCX	April	3623	3708	3752	3794	3900
Recommendation							

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Energy Weekly



Natural Gas

Review

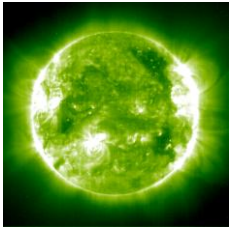
- During the week EIA reports an inventory build up of 31 Bcf.
- Baker Hughes Gas rig (Machines used for drilling) count in U.S. stood at 959 up by 10 from the figure for earlier week.
- Prices traded higher at the beginning of the previous week after positive economic data in the form of ISM non manufacturing index and pending home sales showed the economy to be recovering.
- The economic data released at the week beginning was seen as a confirmation of positive data releases seen at the beginning of April. EIA inventory report during the week showed inventories building up by 31 Bcf while the 5 year average decline (2005-2009) for the week stood at 11 Bcf and market estimates stood at 28 Bcf.
- The data came negative for prices on account of a higher than expected build up in inventories. Overall inventories of gas currently stand at 1.669 Tcf which is 12.1 percent higher than 5 year average.
- Prices reached a high and low of \$4.334 and \$3.857 before closing the week at \$4.07 with a weekly decline of 0.4 percent.

Exchange	Contract	Open	High	Low	Last	% Change	Volume	% Change	Open Interest	% Change
NYMEX (\$/MMBtu)	May	4.1	4.33	3.86	4.07	-0.39	603284	38.24803	216164	-5.72
	June	4.18	4.42	3.95	4.17	-0.19	174076	63.31	74803	11.75
MCX (Rs/MMBtu)	Apr	185.1	193	172	181	-2.63	220407	65.54	14683	23.52
	May	188.5	198	177	186	-2.05	20851	68.34	2138	54.26

Natural gas Rig count			
Commodity	Latest week	Previous week	Change
Natural gas	959	949	10

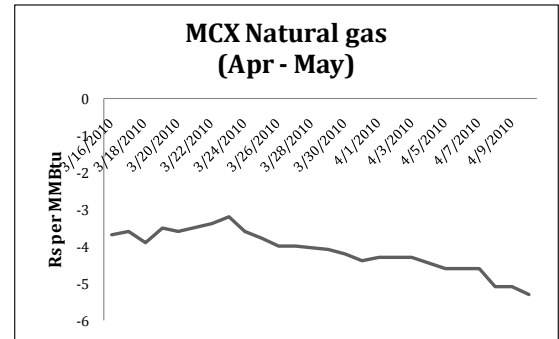
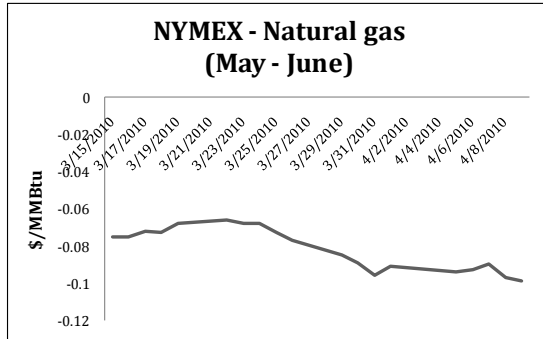
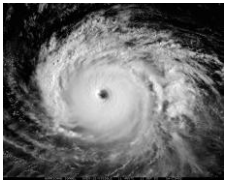
Outlook:

While the presence of adequate inventories in storage keeps the industry well supplied the indications over industrial demand to recover swiftly are inconsistent. A temporary support for prices in the near term may be handed over from maintenance schedules happening at US nuclear and coal fired plants. As a result there might be demand for gas by gas fired power plants. Overall the trend for the fuel is looking slightly lower in the coming week.



Energy Weekly

Calendar spread



Technical analysis: NYMEX Natural gas – May

Natural gas futures traded extremely sideways compare to previous week after making a high of 4.34 it settled the price at 3.85 levels. This week, market may trade same trend prevailed in the last week and is holding the crucial trend line support of 3.81 signifying no further downside movement. However, break below \$3.80 may see a significant fall in the prices. The RSI (14) weekly indicator is trading at 0.41 indicating neutral view for the coming 7 days. Moreover, the oscillator indicator stochastic (5, 3) weekly is in oversold zone suggesting no further down side for the week. Supporting the above view, if prices breaks above 4.15 level we may see some northward movement for the week. On the higher side, resistances are at \$4.33 and then \$4.61 levels. Conversely, on the lower side supports are at \$3.81 then \$3.22 levels.

Technical Outlook

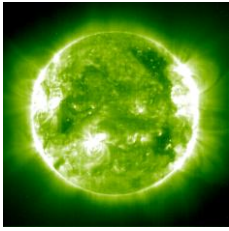
We expect market may trade in the range of \$3.82-\$4.15 levels and breaks above the \$4.15 may witness upward movement for the week.

Recommendation:

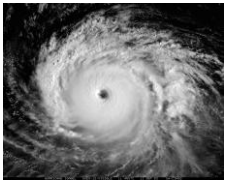
Strategy-1: Sell below 172 targeting 163 with stop loss above 180

Buy on break of 4.15 targeting 4.33 then 4.66 stop loss below 3.90

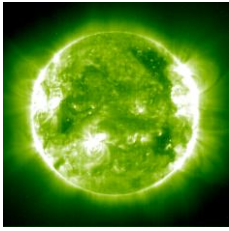
Strategy-2: Natural gas April MCX: Buy above 192 targeting 203 with stop loss below 184



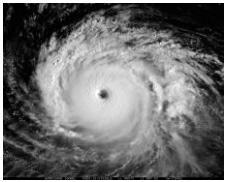
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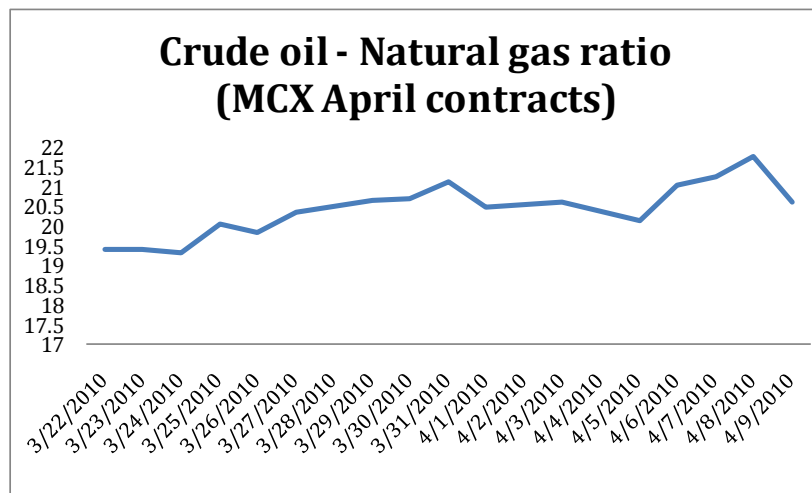
Commodity	Exchange	Contract	S2	S1	Weeks close	R1	R2
Natural gas	NYMEX	May	\$3.22	\$3.81	\$4.070	\$4.33	\$4.61
Natural gas (Rs)	MCX	April	170.0	178.0	181.1	187	\$198
Recommendation	Strategy-1: Sell below 172 targeting 163 with stop loss above 180 Buy on break of 4.15 targeting 4.33 then 4.66 stop loss below 3.90 Strategy-2: Natural gas April MCX: Buy above 192 targeting 203 with stop loss below 184						

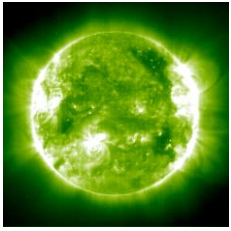


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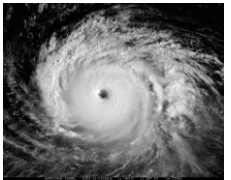


DOE Warehouse Stocks ('000 barrels)			
Commodity	Latest week	Previous week	Change
Crude Oil	356165	354189	1976
Gasoline	222374	224872	-2498
Distillate	145680	144606	1074
Refinery utilization (%)	84.49	82.6	1.89
EIA Working gas storage (Bcf)			
Natural gas	1669	1638	31





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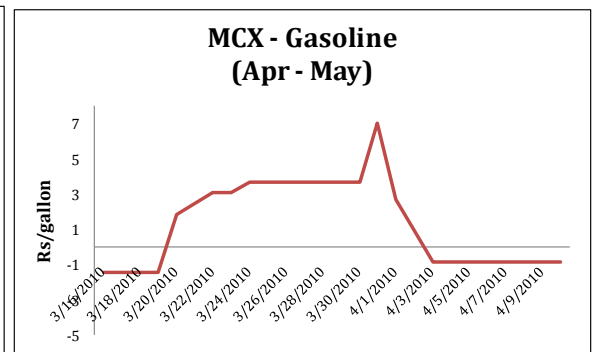
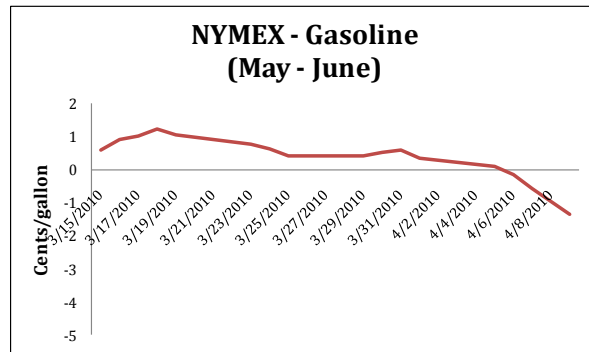


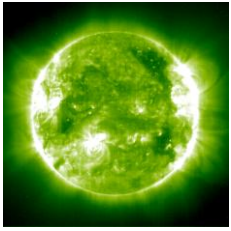
Gasoline

Review: Gasoline production increased last week, averaging 9.1 million barrels per day while overall motor gasoline imports last week averaged 756,000 barrels per day. Gasoline inventories fell last week by 2.498 million barrels. Gasoline demand averaged 9 million barrels over the last four week period up by 1.7 percent from the same time last year.

Exchange	Contract	Open	High	Low	Last	% Change	Volume	% Change	Open Interest	% Change
NYMEX (Cents/gallon)	May	233.7	237	226	228.93	-1.48	274049	48.85	116212	-10.25
	June	233.8	236	227	230.29	-0.75	165997	166.93	67860	7.09
MCX (Rs/gallon)	Apr	101	101	101	101	0.00	N/A N/A	#VALUE!	31	0.00
	May	101.9	102	102	101.9	0.00	N/A N/A	#VALUE!	1	0.00

Calendar spread





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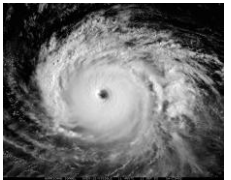
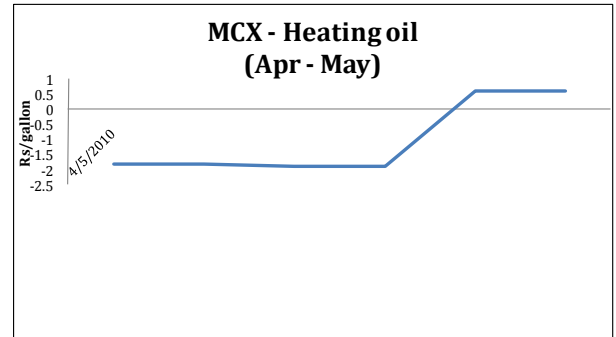
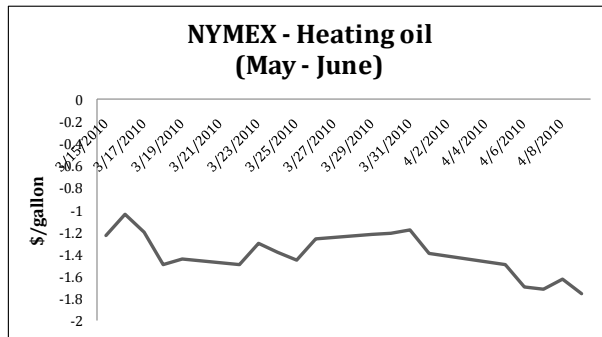
Heating oil



Exchange	Contract	Open	High	Low	Last	% Change	Volume	% Change	Open Interest	% Change
NYMEX (Cents/gallo)	May	223.4	228	221	223	0.42	232721	19.42	93425	-12.15
	June	224.4	230	222	224	0.58	131237	81.31	58128	3.19
MCX (Rs/gallon)	Apr	95.3	95.3	95.3	95.3	0.00	N/A N/A	#VALUE!	#N/A N/A	#VALUE!
	May	97.1	101	97	98.5	1.44	0	#VALUE!	0	#VALUE!



Calendar spread

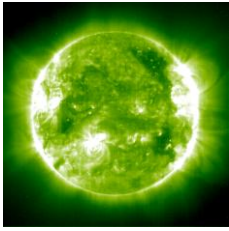


Current Contracts on NYMEX and MCX



	NYMEX	Expiration	MCX	Expiration
Crude oil	May	20-Apr	April	19-Apr
Natural gas	May	28-Apr	April	27-Apr
Gasoline	May	30-Apr	April	23-Apr
Heating oil	May	30-Apr	April	25-Apr
Coal	April	30-Apr	April	30-Apr





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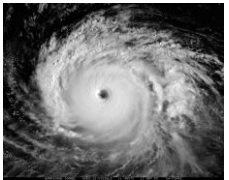
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