

Buy on a breakout

CRUDE CHECK. ₹7,000 is the key level

Akhil Nallamuthu

bl. research bureau

Crude oil prices completed seventh weekly gain last week, indicating that the upward momentum sustains well. The Brent crude futures on the Intercontinental Exchange (ICE) was up 1.2 per cent as it ended the week at \$86.8 a barrel. The MCX crude oil futures (August contract) appreciated 1.1 per cent as it closed at ₹6,934 per barrel on Friday.

The bullish demand projections by the IEA (International Energy Agency) and the OPEC (Organisation of the Petroleum Exporting Countries) last week helped in lifting the crude oil prices. Both the agencies are of the expectation that the supply tightness could lead to the demand-supply dynamics turning in favour of the price appreciating further.

Thus, despite the crude oil inventories in the US increasing by 5.9 million barrels versus the expected increase of 2 million barrels for the week ended August 4, the price remained bullish last week.

MCX-CRUDE OIL (₹6,934)

The August futures of crude oil extended the uptrend last week. While there are no signs of a reversal on the chart, there is a strong barrier at ₹7,000. There are chances for crude oil futures



to see a decline off this resistance.

In such a case, we can expect the contract to fall to ₹6,580 where the 20-day moving average lies. A breach of this level can drag the contract further to ₹6,250. Post this decline, the uptrend will most probably resume which can lead to the breakout of ₹7,000.

On the other hand, if crude oil futures break out of ₹7,000 from the current levels, rather than declining, it will open the door for the move up to ₹7,600, the nearest notable resistance. Subsequent hurdle is at ₹8,000.

Trade strategy: Wait for now and go long if the contract breaks out of ₹7,000. Target and stop-loss can be at ₹7,600 and ₹6,750. Alternatively, if the price drops, consider longs after a decline.

Oil prices could go even higher if OPEC+ sticks to production cuts

AGENCIES

LONDON, 12 AUGUST

Oil prices have soared about 20 per cent since late June but they could go even higher this year if the OPEC+ alliance sticks to its policy of restraining crude production, the International Energy Agency (IEA) said on Friday, a media report said.

In April, the Organization of the Petroleum Exporting Countries (OPEC) plus allies including Russia had pledged to slash output by more than 1.6 million barrels a day through the end of the year in a bid to lift falling oil prices, CNN reported.

This was followed in July by the announcement of additional cuts by Saudi Arabia — the world's biggest exporter of crude oil — and an extension of the OPEC+ targets through the end of 2024.

The combined cuts, togeth-

er with higher demand for oil, have already forced a sharp drawdown of reserves, the IEA said in its monthly oil market report, CNN reported.

If OPEC+ maintains its current production targets, oil inventories could shrink by 2.2 million barrels per day in the third quarter and by 1.2 million barrels in the fourth, "with a risk of driving prices still higher," the agency wrote.

The IEA reiterated its previous forecast that global oil demand will rise by an average of 2.2 million barrels per day this year to a record 102.2 million barrels per day.

The upward pressure on oil prices could ease next year. The IEA predicts that demand growth will slow to 1 million barrels per day in 2024 as the post-pandemic recovery will have "largely run its course and as the energy transition gathers pace", CNN reported.





CRUDE WATCH

OIL UP ON DEMAND FORECAST

Oil prices edged higher on Friday after the International Energy Agency forecast record global demand and tightening supplies, propelling prices to the seventh straight week of gains, the longest such streak since 2022. **REUTERS**



The Indian EXPRESS
JOURNALISM OF COURAGE

Sun, 13 August 2023
<https://epaper.indianexpress.com>



ONGC Q1 net profit slides 34% on lower oil prices, output

Press Trust of India
NEW DELHI

The net profit of Oil and Natural Gas Corporation (ONGC) fell over 34% in the June quarter on the decline in oil prices and lower output, the firm said.

Net profit was ₹10,015 crore compared with ₹15,206 crore in the same period last year, ONGC said in a statement.

ONGC, India's top crude oil and natural gas producer, earned \$76.49 for every barrel of crude oil it produced and sold from nomination fields against a net realisation of \$108.55 per barrel last year. Oil prices globally had risen sharply in April-June 2022 after Russia's invasion of Ukraine led to uncertainties over supply and demand.

Crude oil pumped out of the ground below and the seabed is refined in refineries to produce petrol, diesel and other fuels. Natural gas is used to generate electricity as well as to burn kitchen stoves and run automobiles (CNG).

Gross revenue fell 20% to ₹33,814 crore.

Output declines

ONGC said crude oil production was 3.2% lower at 4.6 million tonnes, while gas output fell 3.3% to 5.04 billion cubic meters.

"The reduction in ONGC's production in Q1 FY24 was due to: a) shutdown in Panna-Mukta offshore platforms for commissioning of new crude oil pipeline to modernise its evacuation facilities,



post taking over from JV partners, b) cyclone Biparjoy disrupting offshore and onshore production and c) crude oil wells in southern India had to be stopped as a refinery there stopped receiving oil, following a leakage in their pipeline," ONGC said in a statement.

To counter the decline in production from some of the matured and marginal fields, ONGC is implementing well interventions and advancing new well-drilling activities.

"The current decline in production is temporary. The same will be compensated in upcoming quarters with commencement of additional production from new projects; especially by crude oil production commencement from KG-98/2 in Q3 2023-24," the company added.

ONGC said it made four oil and gas discoveries in the first quarter. Of these, three are new prospects in offshore areas and one is an onland find. The discoveries include a find in the Mid and South Tapti field in Mumbai offshore. "This prospect discovery has been named 'Pukhraj'," ONGC said.

ONGC Q1 profit drops 34% on lower oil prices

PRESS TRUST OF INDIA
New Delhi, August 12

THE NET PROFIT of Oil and Natural Gas Corporation (ONGC) fell over 34% in June quarter on decline in oil prices and lower output, the firm said.

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ONGC reports consolidated net profit of ₹17,383 crore for June quarter of FY 24

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OUR CORRESPONDENT

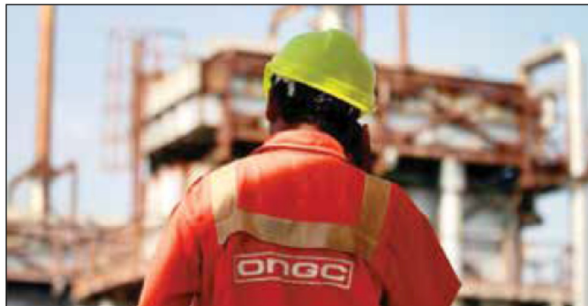
NEW DELHI: Oil and Natural Gas Corporation (ONGC) board in its 368th meeting held on August 11, 2023 approved the results for Q1FY2023-24.

On consolidated front the company's net profit for April-June quarter of financial year 2023-24 stood at Rs 17,383 crore against Rs 8,581 crore in first quarter of fiscal 2022-23.

ONGC reported gross revenue of Rs 1,63,824 crore in April-June quarter of current fiscal, against Rs 1,82,894 crore in corresponding quarter of previous fiscal.

On standalone front the company reported net profit of Rs 10,015 crore in April-June quarter of current financial year against Rs 15,206 crore in corresponding quarter of previous fiscal.

For first quarter of current fiscal ONGC reported gross revenue of Rs 33,814 crore against



year.

ONGC reported crude oil production at 4.590 million metric tonnes (MMT) in first quarter of current fiscal against 4.743 MMT of oil production in corresponding quarter of previous financial year, lower by 3.2 per cent. The firm reported gas output of 5.043 billion cubic meters (BCM) in April-June quarter of fiscal 2023-24 against 5.216 BCM in corresponding quarter of previous fiscal, down by fell 3.3 per cent.

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Panna-Mukta offshore platforms for commissioning of new crude oil pipeline to modernise its evacuation facilities, post taking over from JV partners, cyclone Biparjoy (June 2023) disrupting offshore and onshore production and crude oil wells in southern India had to be stopped as a refinery there stopped receiving oil, following a leakage in their pipeline," the company's statement said. To counter the decline in production from some of the matured and marginal

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The development well Gopavaram-21 was drilled in Srikattapalli-Pasarlupudi (24) & Gopavaram PML area in KG onland basin. This success has been notified as Zone of Potential Commercial Interest (New Pool) as this new pay zone for

ओएनजीसी का पहली तिमाही का शुद्ध लाभ 34 प्रतिशत घटा



एजेंसी ■ नई दिल्ली

तेल एवं प्राकृतिक गैस निगम (ओएनजीसी) का शुद्ध लाभ चालू वित्त वर्ष की पहली तिमाही में 34 प्रतिशत गिर गया। तेल की कीमतों में गिरावट और कम उत्पादन के कारण शुद्ध लाभ में कमी हुई। कंपनी ने एक बयान में यह जानकारी दी। कंपनी ने कहा कि जून तिमाही में उसका शुद्ध लाभ 10,015 करोड़ रुपए रह गया, जबकि बीते वित्त वर्ष की समान तिमाही में यह 15,206 करोड़ रुपए था। कच्चे तेल और प्राकृतिक गैस की भारत की सबसे बड़ी उत्पादक ओएनजीसी ने पिछले साल कच्चे

तेल पर प्रति बैरेल 76.49 डॉलर कमाए, जबकि पिछले साल की समान तिमाही में यह आंकड़ा 108.55 डॉलर प्रति बैरेल था। तेल की कीमतें जून, 2022 तिमाही में दुनियाभर में तेजी से बढ़ी थीं, जब रूस-यूक्रेन युद्ध शुरू होने के बाद आपूर्ति एवं मांग में अनिश्चितता आ गई थी। समीक्षाधीन अवधि में कंपनी का सकल राजस्व 20 प्रतिशत घटकर 33,814 करोड़ रुपए हो गया। ओएनजीसी ने कहा कि इस दौरान कच्चे तेल का उत्पादन 3.2 प्रतिशत घटकर 46 लाख टन रह गया, वहीं गैस उत्पादन 3.3 प्रतिशत गिरकर 5.04 अरब घन मीटर रहा।