ICAP Technical Analysis

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Daily Energy Report - Tuesday 05 April 2016

Natural Gas - (K6) - Up ? / Peaking ? (+ 0.042 @ 1.998)

Things looked promising for the bulls early on. However by the end of trading a shooting star top was visible on the daily candlestick chart. Not what one wants to see when a market is attempting an upside breakout. But bulls are not dead yet. To derail the case for a continued march higher bears need to crack 1.965-1.957. Until then the trend is up. Recommend a defensive stance.

| R2 = 2.130 |
| R1 = 2.075 |
| S1 = 1.960 |
| S2 = 1.895 |

WTI - (K6) - Down (- 1.09 @ 35.70)

With WTI slipping beneath critical up trend support on Monday we are left with only two possibilities to entertain. Either 1) a corrective retracement of the 26.05 to 41.90 advance is presently underway or 2) the longer term down trend has just been reestablished. Either way we are likely looking at further downside into the next OPEC meeting which is slated for 17 April.

| R2 = 38.00 |
| R1 = 37.05 |
| S1 = 34.65 |
| S2 = 32.55 |

Brent - (M6) - Down (- 0.98 @ 37.69)

In 2015 the winter to spring advance began on 13 January at 45.19. From there Brent rallied to a 63.00 high on 17 February. Then from 63.00 fell to a 52.50 low on 16 March. And from 52.50 made a final run to an 6 May high of 69.63. A classic ABC zig zag. The question for 2016, is a similar pattern unfolding? If so an identical wave B decline would target the .618 at 32.99.

| R2 = 39.50 |
| R1 = 38.75 |
| S1 = 36.65 |
| S2 = 34.80 |

RBOB - (K6) - Down ? (- 0.0246 @ 1.3770)

As 1.3680 represents the lowest level consistent with any wave "4" correction in an ongoing five wave advance off the .8975 low it is bottom or else for the bullish case on Tuesday. Fail to carve out an immediate bottom and we will be looking for a deeper retracement of the .8975 to 1.5134 advance at minimum near term. See the next step down in this case as the .382 retracement at 1.2781.

| R2 = 1.4440 |
| R1 = 1.4075 |
| S1 = 1.3440 |
| S2 = 1.2980 |

ULSD - (K6) - Down (- 0.0428 @ 1.0889)

With ULSD decisively taking out key support for the bullish model on Monday we are left with only two possibilities to entertain. Either 1) a corrective retracement of the .8487 to 1.2762 advance is presently underway or 2) the longer term down trend has just been reactivated. Either way we are looking at lower prices for the foreseeable future.

| R2 = 1.1585 |
| R1 = 1.1310 |
| S1 = 1.0625 |
| S2 = 1.0120 |

Gasoil - (J6) - Down (- 7.00 @ 328.75)

In 2015 the winter to spring advance began on 13 January at 453.75. From there Gasoil rallied to a 601.75 high on 27 February. Then from 601.75 fell to a 504.50 low on 16 March. And from 504.50 made a final run to an 6 May high of 628.75. A classic ABC zig zag. The question for 2016, is a similar pattern unfolding? If so an identical wave B decline would target the .618 at 297.00.

| R2 = 342.75 |
| R1 = 333.75 |
| S1 = 313.25 |
| S2 = 297.00 |