Bonanza

02th NOV 2026

COMMODITY
OF THE MONTH

Global Perspective | Strategic Outlook

GLOBAL VIEW
Worldwide Trends and Market Drivers

MARKET INSIGHTS
In-depth Analysis and Key Indicators

STRATEGIC OUTLOOK
Opportunities, Risks & Strategies



TECHNICAL RECOMMENDATION

- **Commodity of the Month – OCT(Crude Oil)**

Crude oil presents a **high-conviction bullish opportunity** for the month, supported by a healthy retracement phase and a strong underlying structure across higher timeframes.

Recommended Strategy :-

- **Accumulation Zone:** 9600 - 9700
- **Stop Loss:** 9100
- **Target:** 10500 - 10800

A sustained hold within the accumulation zone is likely to offer a favorable entry opportunity, with the broader trend structure indicating potential for a strong upside move toward the defined target.

CRUDE OIL TECHNICALS



- **Technical Overview**

WTI crude oil futures maintain a bullish technical structure on both the weekly and monthly charts, with prices continuing to form higher highs and higher lows while trading within a well-defined upward-sloping price channel. This indicates sustained buying interest and the continuation of the broader uptrend.

Weekly Outlook: The weekly chart reflects positive momentum, with prices sustaining their upward trajectory within the bullish channel. The formation of successive higher highs suggests that buyers remain in control. The RSI is expected to remain in positive territory, supporting the prevailing bullish momentum, while a positive MACD would further confirm the ongoing trend. Prices trading above their key short-, medium-, and long-term EMAs would reinforce the strength of the trend. Rising trading volumes during upward price movements would indicate healthy buying participation and lend further credibility to breakout attempts.

- **CRUDE OIL Buy Recommendation (MCX – Positional Call)**

Monthly Outlook: The monthly chart confirms the strength of the broader bullish trend, with prices consistently registering higher highs and higher lows while respecting the upward-sloping channel. The alignment of major EMAs, particularly the 50-, 100-, and 200-period averages, would indicate a strong long-term trend if prices continue to trade above them. The monthly RSI and MACD should be monitored for confirmation of sustained momentum. Increasing monthly volumes alongside price appreciation would strengthen the bullish structure, while declining volumes could signal a potential loss of momentum.

The technical outlook for WTI crude oil remains bullish across both weekly and monthly timeframes. The formation of higher highs and higher lows within the rising price channel suggests that the broader uptrend remains intact. Further upside is possible as long as prices sustain above the channel's lower boundary and key EMA support levels. NYMEX crude oil faces resistance at $113–$117, while support is placed at $99–$89. On the MCX, the crude oil uptrend may remain intact in the upcoming week, with prices likely to test the ₹10,500–₹10,800 levels in the coming weeks. The key support zone is placed at ₹9,300–₹8,600.

FUNDAMENTAL OVERVIEW

- **Executive Summary**

MCX Crude Oil remains supported by a severe, geopolitically driven supply disruption centered on the Middle East, with global inventories still drawing and diesel markets extremely tight. EIA's October Short-Term Energy Outlook (STEO, completed early October, next release mid-November) projects Brent averaging $105/bbl in Q4 2026 amid constrained Middle East flows and shut-ins averaging ~4.5 mb/d in the quarter; global inventories are expected to decline a further ~0.7 mb/d in Q4 after a 1.9 mb/d average draw in Q3. IEA's October Oil Market Report highlights fragile recovery in Gulf exports, ongoing product tightness (especially diesel), and cumulative observed stocks ~509 mb below pre-conflict levels.

This underpins a higher-probability base/bullish case for MCX over the next 1–3 months toward ₹10,500–10,800, supporting tactical buys on dips into ₹9,600–9,700 with a stop at ₹9,100. Clear bearish risks exist from any credible de-escalation, stronger demand destruction, or faster-than-expected restoration of flows. The setup is tactical and risk-managed given elevated volatility and geopolitical premium.

- **The Big Picture: A Supply Crisis Layered on Geopolitical Risk**

The market is defined by prolonged disruption to Middle East crude and product flows (Strait of Hormuz constraints, attacks on Saudi East-West pipeline and other infrastructure, Houthi activity, and broader Iran-related tensions), layered on already tight inventories and high freight/insurance costs. Physical recovery in Gulf exports has occurred via workarounds (ship-to-ship transfers, alternative routes, pipelines), yet shut-ins and risk premiums keep the balance tight. Demand has weakened under high prices, but the supply shortfall has so far dominated. OPEC+ has held output targets steady (November confirmed; December in principle), with focus shifting to 2027 capacity reviews and quotas; actual Gulf output remains well below pre-conflict levels.

FUNDAMENTAL OVERVIEW

- **Supply Side: Severe Disruption as the Dominant Bullish Driver**

  - EIA assumes Middle East oil flows remain constrained through Q4 2026, with shut-in production averaging 4.5 mb/d that quarter (down from higher earlier peaks). Global liquid fuels production is projected lower in 2026 relative to prior expectations, with inventories continuing to draw.

  - IEA notes a fragile rebound in Middle East supply in September (Gulf crude exports approaching pre-war levels at points via workarounds), but heightened security concerns and attacks left full-year projections largely unchanged. Global supply is expected to average higher in H2 than Q2 but still reflects large cumulative losses; product exports (especially diesel) from the region and Russia remain impaired.

  - Cumulative inventory draws are substantial (EIA ~1.9 mb/d average in Q3; IEA cumulative observed stocks ~509 mb below end-February pre-war levels by end-September). Diesel refining margins hit extreme levels earlier, and middle-distillate tightness is expected to persist. Non-OPEC/US shale response and SPR/G7 releases have provided partial offsets but have not fully closed the gap. High tanker rates and risk premiums continue to support delivered prices.

These factors remain the primary bullish driver for near-term MCX prices.

- **Demand Side: Temporary Weakness vs. Structural Resilience**

Short-Term Demand Destruction

High prices, restricted product availability, and a deteriorating economic outlook in some regions have driven demand lower. IEA forecasts global oil demand falling ~2.5–2.6 mb/d year-on-year in 2026 (with diesel a significant share of the drop); EIA shows global liquid fuels consumption lower in 2026 than prior years in its balances. Chinese crude intake has been notably weaker at points. US weekly data has shown mixed product demand signals As constraints ease and prices moderate, demand is expected to recover (EIA projects stronger 2027 consumption growth). Structural resilience remains in emerging markets and transportation, though the pace depends on the duration of high prices and geopolitical resolution. Near-term, demand weakness is real but has been outweighed by supply losses.

FUNDAMENTAL OVERVIEW

- **Geopolitical Drivers: The Primary Market Influence**

Ongoing Iran-related conflict, attacks on Saudi infrastructure (East-West pipeline), Houthi actions, and risks around the Strait of Hormuz and Red Sea shipping keep a significant risk premium embedded. Diplomatic outreach has occurred at times but has not produced durable de-escalation. Markets are pricing both current physical tightness and the probability of further disruptions. Any credible ceasefire framework or verified restoration of safe transit would rapidly compress the premium; renewed escalation or confirmed major outages would extend it. OPEC+ policy remains supportive of tightness in the near term by holding targets steady while actual output lags.

- **Key Price Levels (MCX, ₹/bbl) and Technical Context**

- Current structure: November contract near ₹9,915–9,917 (1 Nov). Recent trading has seen support in the mid-to-high 9,000s and resistance near recent highs around ₹9,970–10,000+. Longer-dated contracts trade at a discount.
- Buy zone: ₹9,600–9,700 offers a constructive entry on dips while respecting the broader uptrend driven by fundamentals.
- Stop-loss: ₹9,100 – below recent support and a level that would signal a more meaningful shift in risk appetite or physical balance.
- Targets: ₹10,500–10,800 – consistent with sustained elevated global prices (Brent/WTI in the $100+ zone translating via ~₹95 USD/INR) plus residual risk premium and potential further inventory draws.
- Technical context remains constructive above key supports amid elevated open interest and volatility; options data has shown wide expected ranges reflecting geopolitical uncertainty.

FUNDAMENTAL OVERVIEW

- **Current Market Structure & Near-Term Outlook (1–3 Months)**

A. Base / Bullish Case (Higher Probability)

Constrained Middle East flows persist through year-end, inventories continue drawing (even if at a slower pace), and diesel/product tightness supports crude. Geopolitical premium remains elevated. MCX holds above ₹9,600–9,700 and works higher toward ₹10,500–10,800 over the next 1–3 months as physical balances stay tight and any winter demand or further disruptions add upside. This aligns with EIA's raised Q4 Brent forecast and IEA's emphasis on fragile recovery and low stocks.

B. Bearish Case

Credible de-escalation or rapid restoration of Hormuz/alternative routes + stronger demand destruction or larger non-OPEC response leads to inventory rebuilds and premium compression. Prices could retest or break below ₹9,600 toward the ₹9,100 stop zone (or lower if risk-off accelerates). Faster-than-expected 2027 surplus expectations could also weigh on the curve. This is the clear risk to the buy bias.

- **Strategic Considerations for Traders and Investors**

- Prefer tactical long entries on dips into the stated buy zone with defined risk (SL ₹9,100). Size positions for elevated volatility.
- Monitor USD/INR closely – rupee weakness supports MCX in absolute terms; strength works the opposite way.
- Use options for defined-risk exposure given wide implied ranges.
- Hedge or reduce on signs of durable diplomatic progress or sustained inventory builds.
- This is not a long-term structural long; the 3-month window is most relevant while constraints and draws persist. Beyond that, EIA and consensus expect prices to ease as flows recover and inventories rebuild into 2027.

FUNDAMENTAL OVERVIEW

- **Key Takeaway**

The dominant near-term driver remains severe supply disruption and low inventories amid unresolved geopolitical risk. This supports a tactical buy bias on MCX Crude Oil at ₹9,600–9,700 (SL ₹9,100) targeting ₹10,500–10,800 over the next 1–3 months. Demand weakness and de-escalation risks are real and must be respected with strict risk management. The setup is higher-probability bullish while physical tightness and the risk premium endure, but it is not risk-free.

- **Critical Monitoring Points**

- Weekly EIA inventories (US crude, Cushing, distillates) and next STEO (mid-November).
- IEA monthly updates and any revisions to Middle East export/shut-in estimates.
- Geopolitical developments: diplomatic talks, attacks on infrastructure/shipping, Hormuz transit volumes, Saudi pipeline status.
- OPEC+ December confirmation and any capacity-review signals for 2027.
- Diesel crack spreads, freight rates, and Chinese/Indian import data.
- USD/INR and broader risk sentiment.

VOLUME & OPEN INTEREST

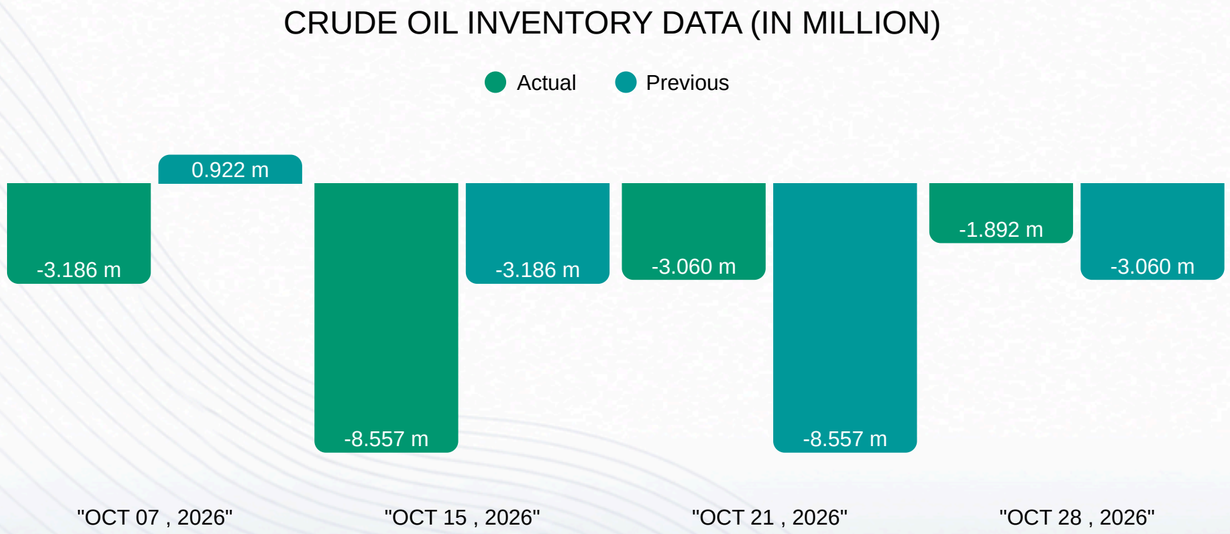
MCX CRUDEOIL		
MONTHS	OPEN INTEREST	VOLUME
JULY	8.69 k	1.52 m
AUGUST	10.01 k	1.25 m
SEPTEMBER	11.53 k	1.33 m
OCTOBER	16.14 k	971.17 k

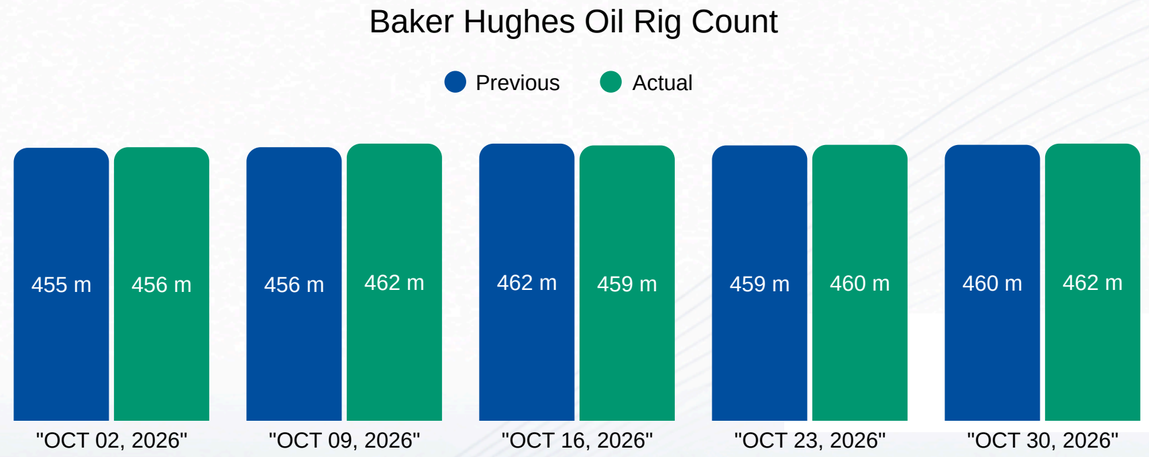
NYMEX LIGHT CRUDE OIL		
MONTHS	OPEN INTEREST	VOLUME
JULY	266.83 k	6.55 m
AUGUST	259.18 k	5.18 m
SEPTEMBER	283 k	7.36 m
OCTOBER	261.78 k	6.38 m

MACROECONOMIC INDICATORS

CRUDE OIL INVENTORY DATA (IN MILLION)		
WEEKS	Actual	Previous
OCT 07 , 2026	-3.186 m	0.922 m
OCT 15 , 2026	-8.557 m	-3.186 m
OCT 21 , 2026	-3.060 m	-8.557 m
OCT 28 , 2026	-1.892 m	-3.060 m

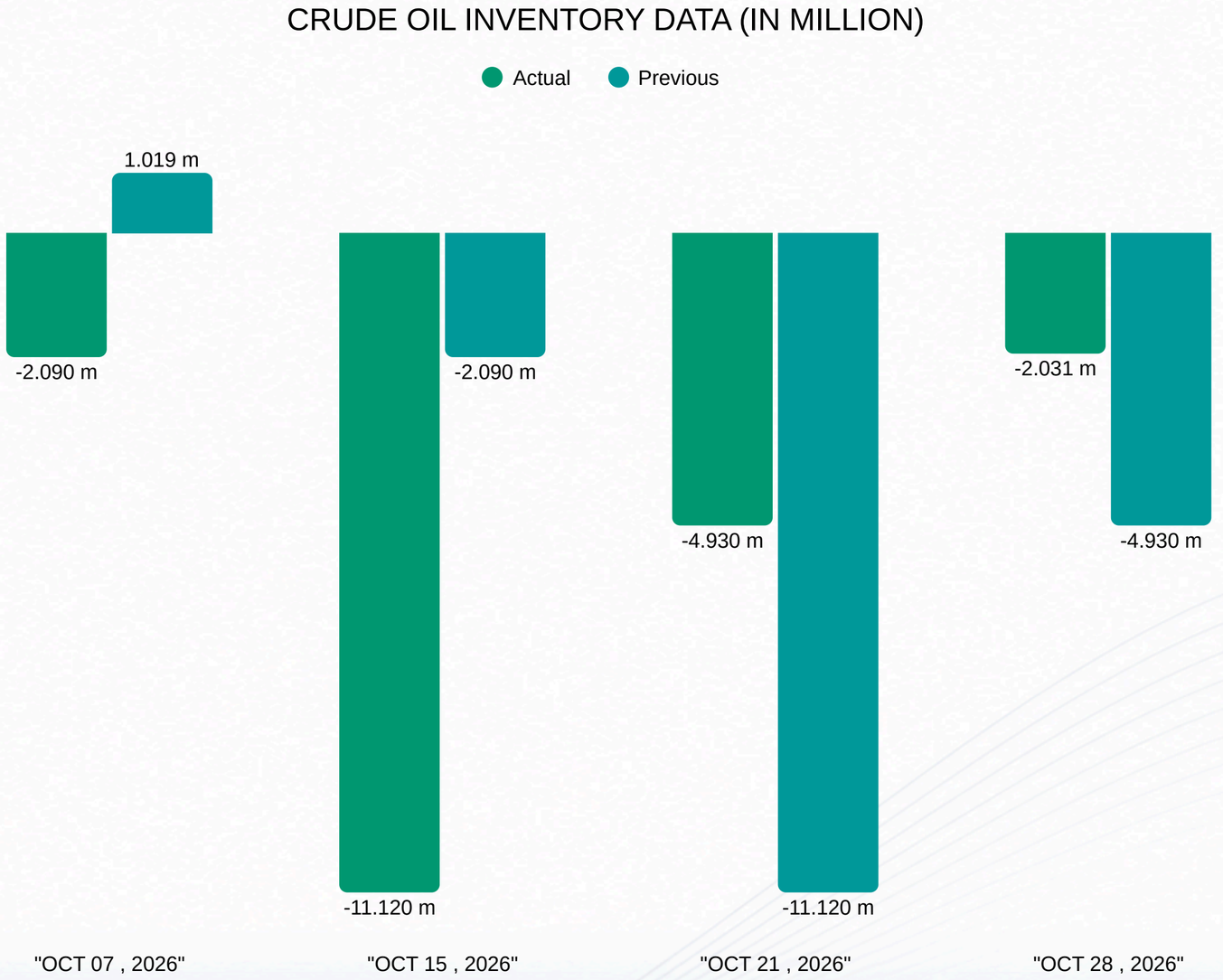
Baker Hughes Oil Rig Count		
WEEKS	Actual	Previous
OCT 02, 2026	456	455
OCT 09, 2026	462	456
OCT 16, 2026	459	462
OCT 23, 2026	460	459
OCT 30, 2026	462	460





MACROECONOMIC INDICATORS

U.S. API Weekly Crude Oil Stock		
WEEKS	**Actual**	**Previous**
OCT 07 , 2026	-2.090 m	1.019 m
OCT 15 , 2026	-11.120 m	-2.090 m
OCT 21 , 2026	-4.930	-11.120 m
OCT 28 , 2026	-2.031 m	-4.930



DISCLAIMAR

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