Commodity Weekly Technicals

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Technical Outlook

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For important disclosure information please see end of the document.

Technical Outlook

Market	Short term view (1-3 weeks)
S&P GSCI TR Index:	Market is easing back to its 200 day ma
NYMEX Light Crude Oil:	The market has sold off the 200 day ma and should stabilise
ICE Brent Crude Oil:	Easing lower, and heading towards the 2012-2014 uptrend at 105.97 and 200 week ma at 105.65, which is expected to hold the initial test.
NYMEX Heating Oil:	Looking for some stabilisation circa 2.90/2.8673 (200 week ma)
ICE Gasoil:	Focus is on the 885 November 2013 low.
NYMEX Natural Gas:	Breach of 5 month uptrend not sustained attention reverts to the 4.75/86 resistance
RBOB Gasoline:	Is still likely to fill a large underlying gap ahead of further gains.
LME Copper:	Key support at 6635/6602 eroded, downside risks have increased.
LME Aluminium:	Directly offered below 1788, target 1670 then 1605.
LME Nickel:	Break of downtrend targets the 16493/16800 region then 17033
LME Zinc:	Remains under pressure and on course for the 1944/34 region.
ICE Emissions Dec ‘14:	Market has sold off to Fibo support at 5.60 and is expected to recover off there.

S&P GSCI Total Return Index

Market is easing back to its 200 day ma

- The S&P GSCI Total Return Index remains on the defensive following the demise of the December high at 4908. It has seen a small erosion of the short term uptrend at 4896, and we would allow for slippage to 4833/42, the 200 day moving average.

- This should provoke some stabilisation short term. However a close below here would trigger losses towards the bottom of the recent range circa 4650/4600.

- Rallies are likely to now struggle circa 5000. However should a rise above 5070 be seen, though, a move to the 5400 2012 high could be on the cards.

S&P GSCI Total Return Index DailyChart

Nymex Light Crude Oil

The market has sold off the 200 day ma and should stabilise

- The chart for the WTI crude oil has sold off to the 200 day moving average at 100.23. Directly below here lies the 61.8% retracement at 96.84 and we note the TD perfected set up on the daily chart. This suggests that the downside is temporarily exhausted for now and we would allow for recovery.

- If short, tighten stops.

- We are currently seeing a small rebound from the 97.50 region and this we suspect will struggle on rallies back to 100.75 December 2013 high and the 101.40 50% retracement. A rise above this zone would be required to alleviate immediate downside pressure and would most likely neutralise the outlook once more.

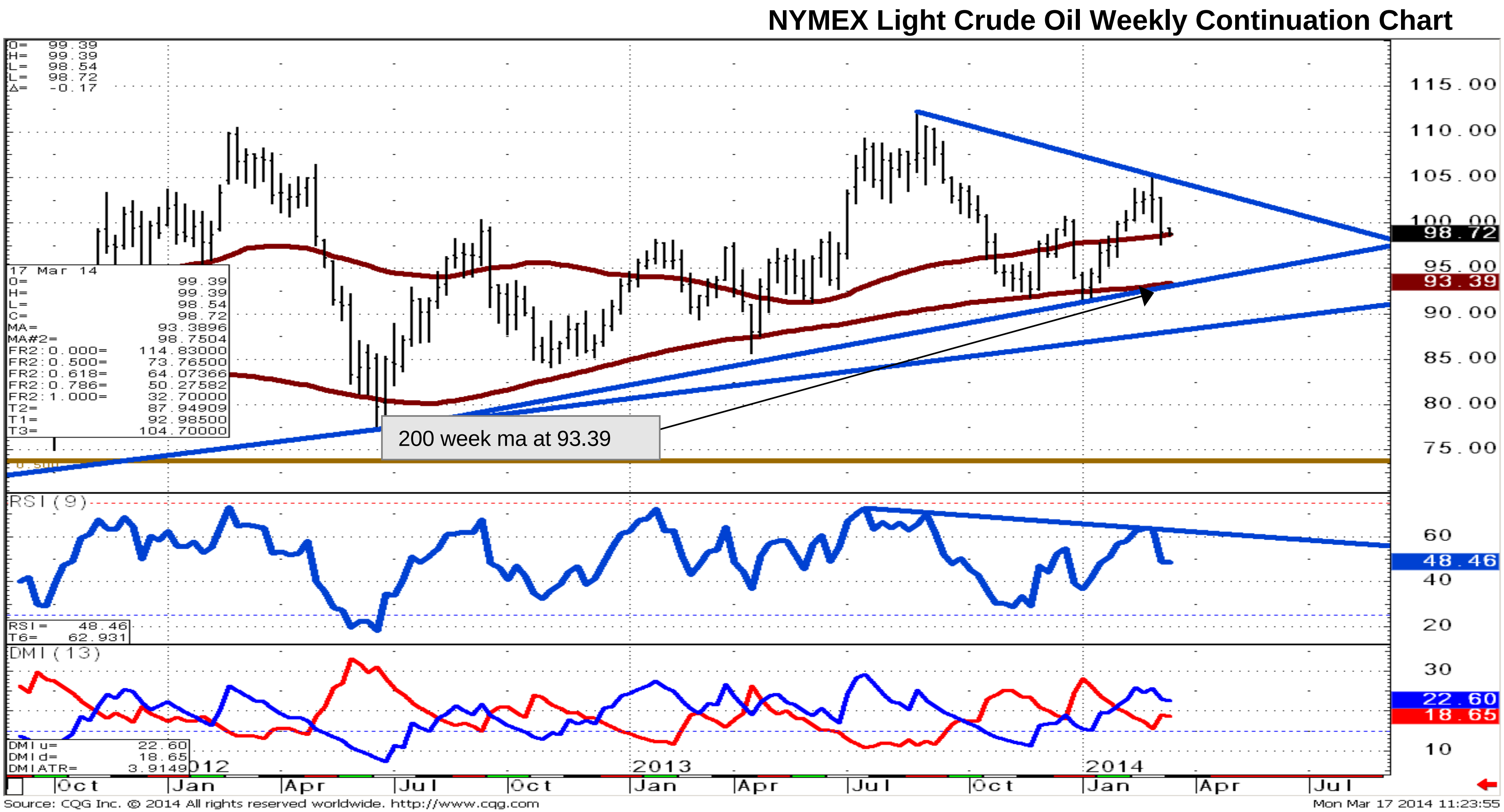
- Failure here would suggest that the market continues to grind lower and head down to the 93.39 200 week moving average.

NYMEX Light Crude Oil Daily Continuation Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Mon Mar 17 2014 10:54:26

NYMEX Light Crude Oil – Monthly Chart

Grinding lower and looks set to head back to the 200 week ma at 93.39



ICE Brent Crude Oil

Easing lower, and heading towards the 2012-2014 uptrend at 105.97 and 200 week ma at 105.65, which is expected to hold the initial test

- Brent crude Oil continues to grind lower following its recent failure at strong overhead resistance at circa 113 and continues to ease lower. It looks set to head back towards the 105.97 2012-2014 uptrend and the 105.65 200 week ma. This is very strong support and we would expect it to hold the downside on the initial test.

- We suspect that rallies will remain sub 110 and remain capped by key resistance at 112.00/113.05. This is reinforced by the 113.23 2012-2014 resistance line.

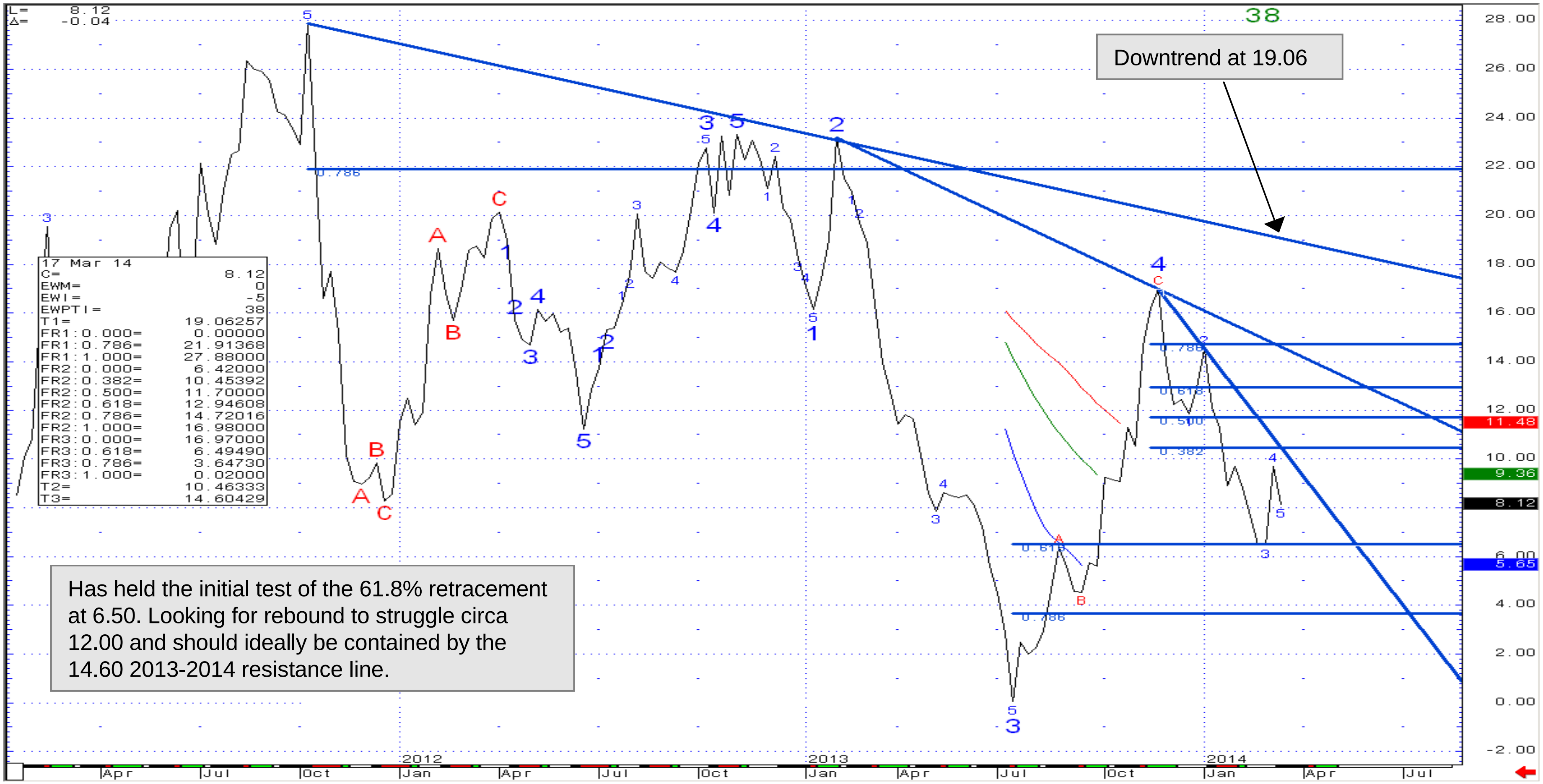
- We note the February low at 105.40. A weekly close below here would be regarded as negative and below here would see a target of 96.75 engage – this is the 2013 low.

ICE Brent Crude Oil Weekly Continuation Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Tue Mar 18 2014 09:19:05

Brent Vs Crude Oil weekly

Held initial test of the 61.8% retracement support at 6.5.



Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Tue Mar 18 2014 09:22:05

NYMEX Heating Oil

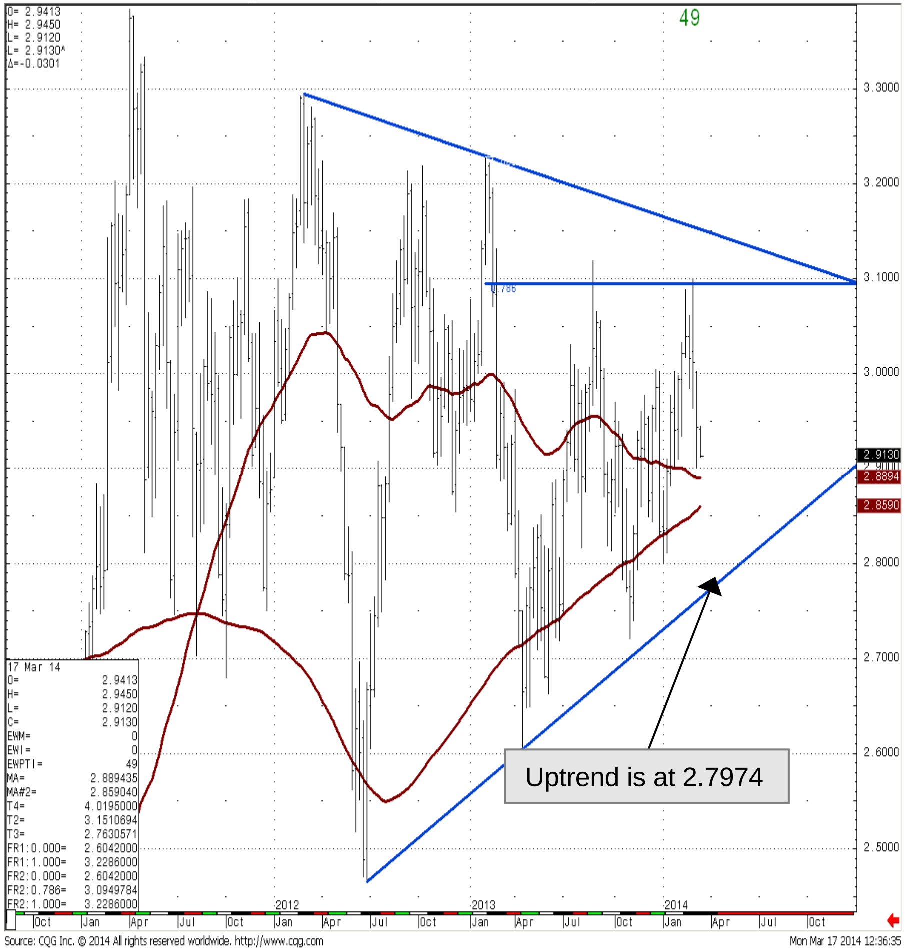
Looking for some stabilisation circa 2.90/2.8673 (200 week ma)

- NYMEX Heating Oil continues to sell off following its recent failure at the 78.6% retracement of the move down from February 2013 at 3.0905/50. The reaction lower has been sharp and the market has already reached the 290 level. On the continuation weekly chart we do have a 200 week ma cutting in at 2.8673, and between 2.90 and here we suspect that the market will hold and attempt to recover.

- As can be seen from the adjusted continuation chart, it is pretty much in the middle of the range. The base of the range is located at 2.7630 and the market is neutral medium to longer term while within the range.

- Short term rallies are likely to struggle now in the 3.00/3.03 zone and while capped here will remain offered.

NYMEX Heating Oil Adjusted Weekly Continuation



ICE Gasoil

Focus is on the 885 November 2013 low

- ICE Gasoil remains very much on the defensive and has started to erode the 200 week ma at 894.30.Attention has reverted to the 885 November 2013 low. This is starting to look exposed. The market has over the past couple of weeks eroded the 2009-2014 uptrend and the risk of a further break lower is considered to be high.
- Failure to hold the 885 low on a weekly closing basis will see targets in the low 800 region engage (806 is the 2012 low).
- Rallies are going to find that the previous uptrend is likely to now act as resistance at 910 and while capped here the market will remain directly offered. However resistance is now prolific to the 957.25 December high.
- We suspect that the 885 level may hold on a weekly closing basis on the first test, but ultimately it looks now likely to give way.

ICE Gasoil Weekly Continuation Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com
Mon Mar 17 2014 17:00:29

NYMEX Natural Gas

Breach of 5 month uptrend not sustained attention reverts to the 4.75/86 resistance

- Natural Gas has eroded the 5 month uptrend, not sustained the break and looks set to recover 4.34. However rallies will need to regain the 4.75/86 55 day moving average and 23.6% retracement to add weight to that view.
- While capped by 4.86 we remain unable to rule out further slippage to the 4.04/3.99 region – this combination of Fibonacci support, the 55 week ma and 200 day ma should hold the downside and prompt recovery
- Above 4.86 will see upside targets of 5.17 and 5.42 engage. These guard the 5.68/74 February high.

NYMEX Natural Gas Daily Continuation Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Tue Mar 18 2014 08:47:23

NYMEX RBOB Gasoline

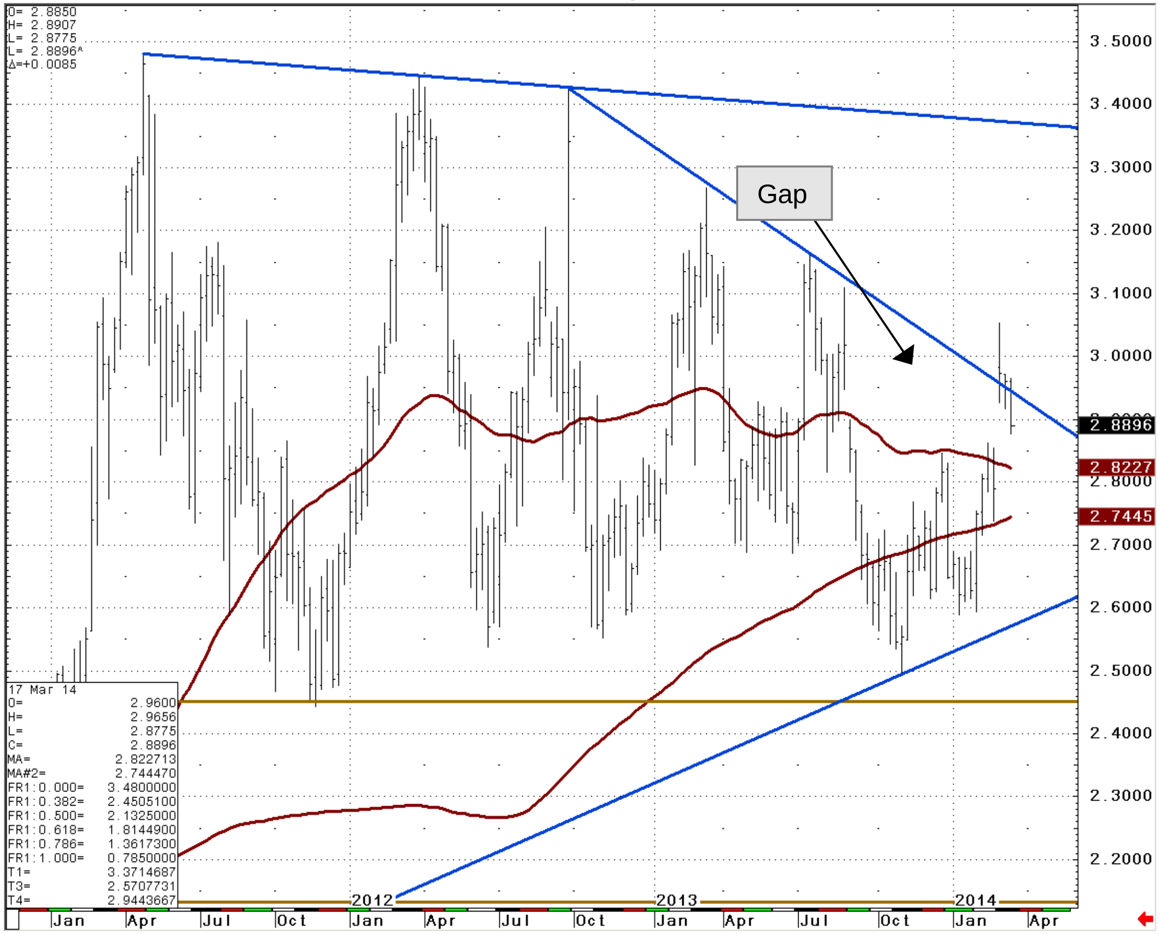
Is still likely to fill a large underlying gap ahead of further gains

- RBOB Gasoline is in the process of filling a large gap back to 2.8628. However, while above here we will assume an upside bias. Elliott wave counts on intraday charts are suggesting rallies will struggle circa 2.95.

- Below 2.8628 would question the break higher and leave the market back in its previous range and likely to drift back to the 2.7445 200 week ma.

- Should the market recover off 2.86 and regain the 2.95 region we will assume an upside bias has been restored and imply further upside attempts to the 3.1632 July 2013 high and the 3.2672/3.2709 2013 high and potentially the 3.3717 2011-2014 downtrend be allowed for.

RBOB Gasoline Weekly Continuation



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LME Copper

Key support at 6635/6602 eroded, downside risks have increased.

- LME Copper has eroded major support at 6635/02 (October 2011 low, 50% retracement of the move up from 2008 to 2011 and June trough). The initial sell off is looking a little over stretched and we would allow for a small retracement to 6575/6700 ahead of further losses.

- The weekly close below 6635/02 is viewed as negative and suggests that we will see further losses and another leg lower to 6037.50, the low seen in 2010. This together with the psychological support circa 6000 should prompt some profit taking. However the market is in new 3½ year lows and longer term the risks have increased on the downside and we would allow for a possible breach longer term below 6000.

- Rallies above 6635 would allow for return to 6910 the November 2013 low and we suspect will fail to make an impression above here.

LME Copper Weekly Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Mon Mar 17 2014 10:19:34

LME Aluminium

Directly offered below 1788, target 1670 then 1605.

- LME Aluminium has failed ahead of the 200 day moving average at 1805 as expected. While capped by it, a negative bias will remain.
- The market looks set to test the 1717 current March low. Failure here would leave the 1670 region and the 1605 78.6% retracement of the move from 2009 to 2011 exposed. This is considered to be the last defence for the 20 year support line at 1360.
- The market is expected to remain capped by the 2011-2014 downtrend at 1788 and the trend line resistance is reinforced by the 200 day ma at 1805.
- Directly above there we have the 55 week ma at 1827 and only should we see a move above here would the current negative bias be called into question.
- Intraday rallies are indicated to terminate circa 1740.

LME Aluminium Daily Chart

Tue Mar 18 2014 08:35:43

LME Nickel

Break of downtrend targets the 16493/16800 region then 17033

- LME Nickel has maintained upside pressure following its upside break through the 2012-14 downtrend line. We look for gains to the 61.8% Fibonacci retracement of the 2008-11 advance at 16493 and the September and November 2011 lows at 16550/16800.

- Another longer term upside target is the 17033 level, the 23.6% retracement of the move down from 2011. We look for this to hold the initial test.

- The Elliott wave count on the daily chart is suggesting that pullbacks are likely to hold in the 15439/15093 band and given that we find the October 2013 high at 14880 here also we would ecpect the market to be well supported on pullbacks to here. While above here we shall assume that the market remains bid.

LME Nickel Weekly Chart

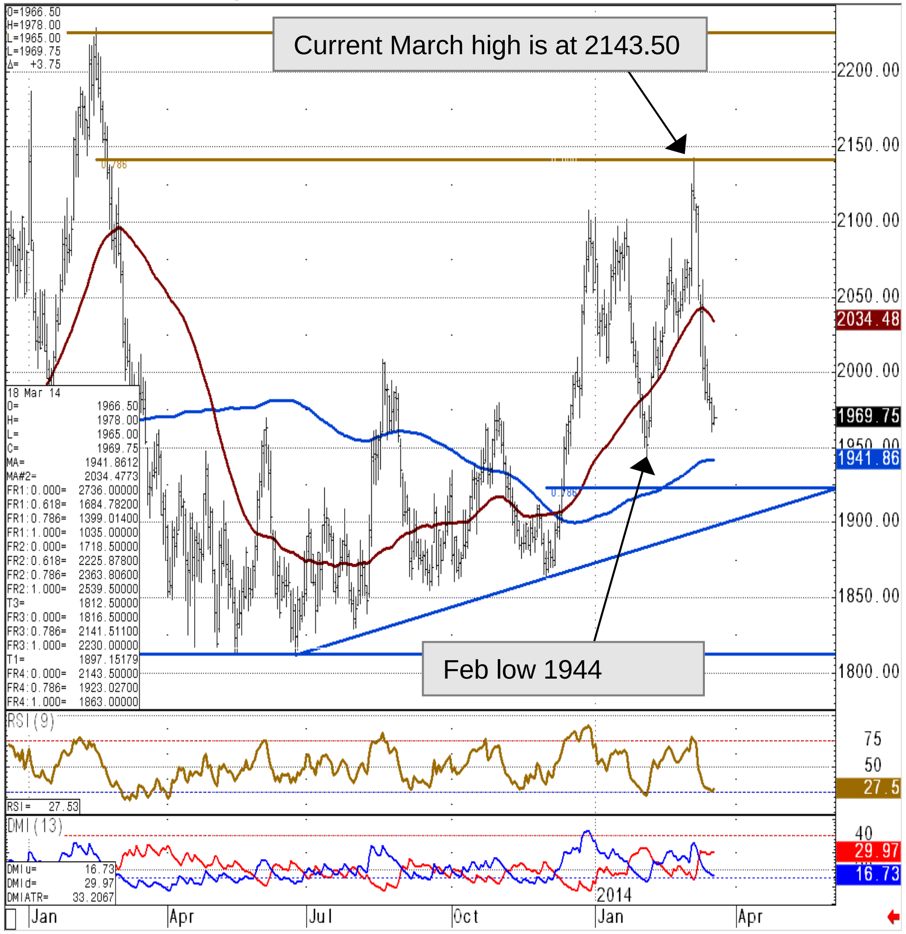
Mon Mar 10 2014 14:08:53

LME Zinc

Remains under pressure and on course for the 1944/34 region.

- LME Zinc continues to sell off from the March peak at 2143.50 high. It remains under pressure and focus is now on the February low at 1944. We have layers of support below here at 1900, 1868, and the 1812 2013 low. We also find here the 55 week ma at 1934.
- Intraday rebounds are indicated to terminate circa 2020. However the market will remain directly offered below the 55 day ma at 2034. Above here will simply neutralise the chart and suggest another possible run up to 2143.50
- Initial downside target therefore is 1944/34, but there is not enough to suggest this will hold and provoke reversal. Prepare for weakness beyond this point.

LME Zinc Daily Chart



Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com Tue Mar 18 2014 08:05:11

ICE ECX Carbon Emissions Dec 2014

Market has sold off to Fibo support at 5.60 and is expected to recover off there.

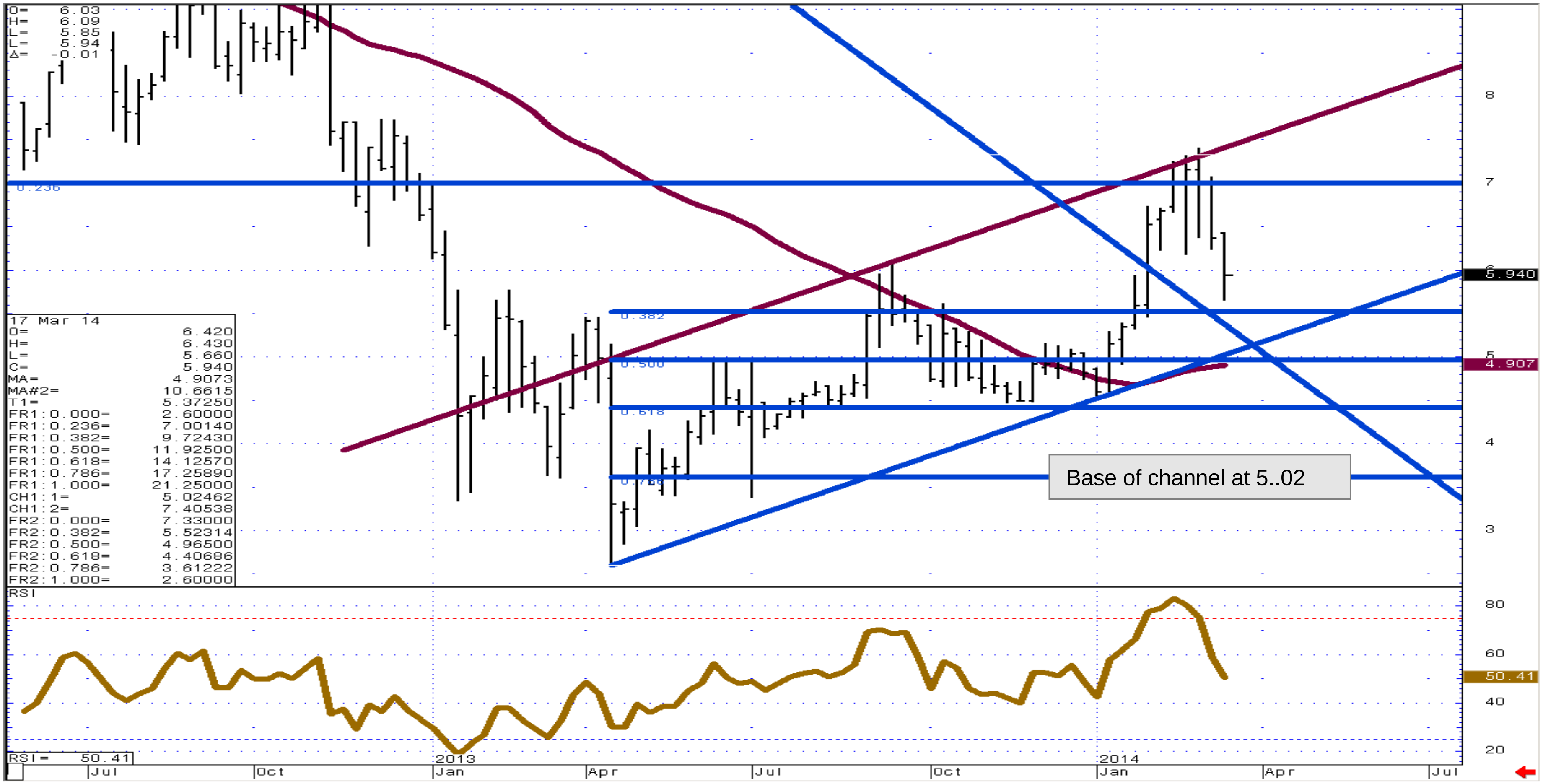
- December 2014 ICE ECX Carbon Emissions as warned the market sold off. It has as expected sold off towards the 5.60/61.8% retracement. It is not out of the woods yet, rallies will need to regain 5,75 to re target the 7.40/41 channel resistance and recent high. This is again destined to cap the topside we suspect.
- Below 5.60 lies the 5.52 38.2% retracement of the entire move up from the April 2013 low. This is regarded as the break point to the bottom of the channel at 5.02, if seen, this is again expected to hold and provoke recovery.
- Above 7.53 would suggest a rally to the 7.73 December 2012 high en route to 8.00. Longer term the pattern holds potential for a move above here.

ICE ECX Carbon Emissions Dec 2014 Daily Chart

Source: CQG Inc. © 2014 All rights reserved worldwide. http://www.cqg.com

Tue Mar 18 2014 08:01:40

ICE ECX Carbon Emissions Dec 2014 - weekly chart

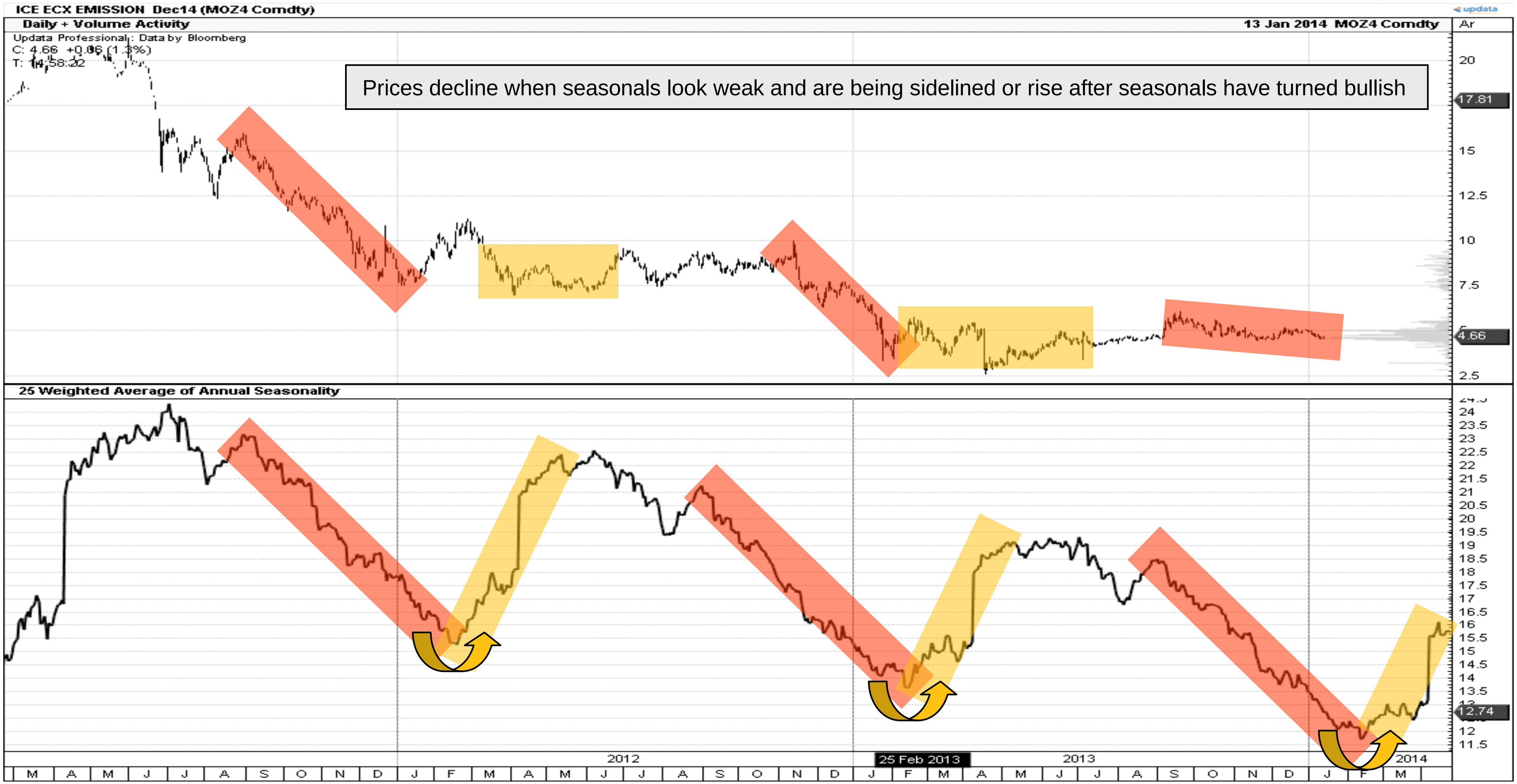


 Tue Mar 18 2014 08:02:41

December 2014 Carbon Emissions – Price and Seasonality Chart

Seasonality points to prices stabilising/rising during the first half and falling in the second half of the year

December 2014 Carbon Emissions – Price and Seasonality Charts



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S&P GSCI

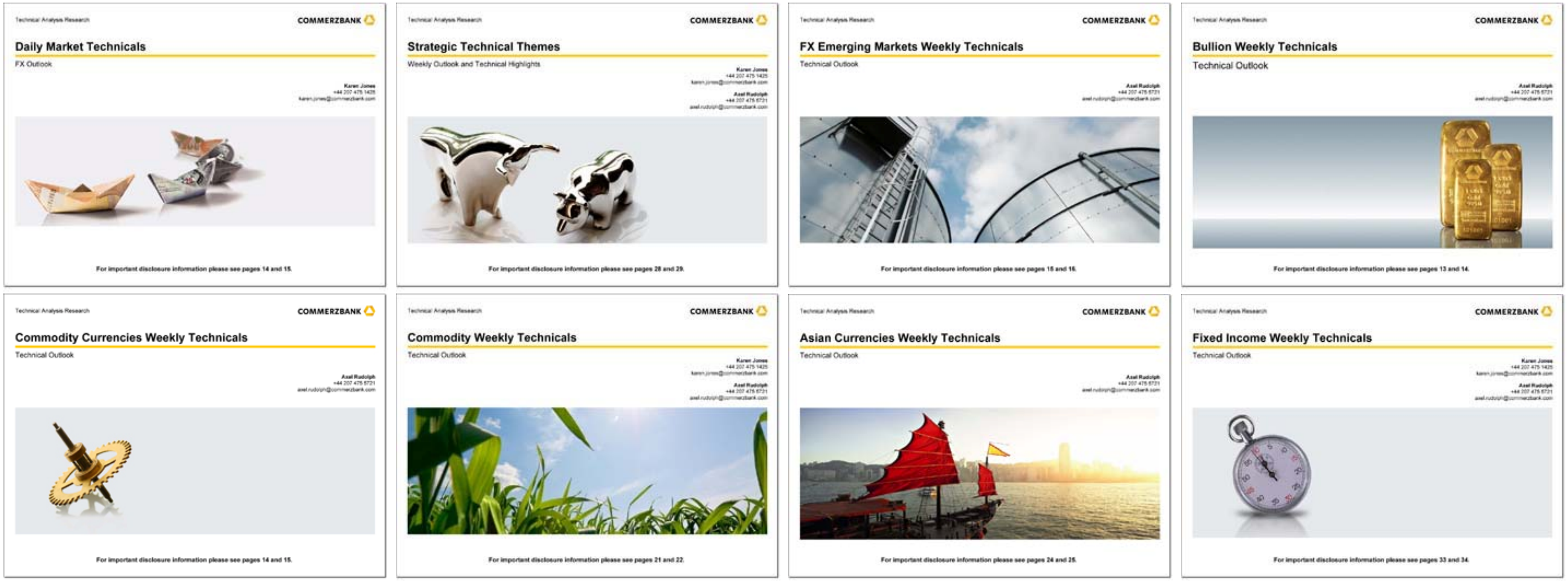
The S&P GSCI is world-production weighted; the quantity of each commodity in the index is determined by the average quantity of production in the last five years of available data. Such weighting provides the S&P GSCI with significant advantages, both as an economic indicator and as a measure of investment performance.

For use as an economic indicator, the appropriate weight to assign each commodity is in proportion to the amount of that commodity flowing through the economy (i.e., the actual production or consumption of that commodity). For instance, the impact that doubling the price of corn has on inflation and on economic growth depends directly on how much corn is used (or produced) in the economy.

From the standpoint of measuring investment performance, production weighting is not only appropriate but also vital. The key to measuring investment performance in a representative fashion is to weight each asset by the amount of capital dedicated to holding that asset. In equity markets, this representative measurement of investment performance is accomplished through weighting indices by market capitalization.

For commodities, there is no direct counterpart to market capitalization. The problem is that commodities, and the related price risks, are held in a variety of ways – long futures positions, over-the-counter investments, long-term fixed price purchasing contracts, physical inventory at the producer, etc. - making a complete accounting of capital dedicated to holding commodities from the time they are produced to the time they are consumed infeasible. A simple way to achieve a close analogue to true market capitalization, abstracting from differences in inventory patterns, is to note that the net long position of the economy is proportional to the quantity produced - hence, production weighting.

The S&P GSCI Total Return Index measures the returns accrued from investing in fully-collateralized nearby commodity futures;



Other technical analysis reports we publish are:

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