



ODL Markets

OIL Comment 01/02/08



9 day moving average - \$90.56
14 day moving average - \$90.07
40 day moving average - \$91.88

Technical Report:

As mentioned in yesterday's "Oil Comment" the impending 9 and 14 day moving average cross occurred adding some short term bullish sentiment to the market. The key factor to yesterday's late rally was the Dow Jones Index finding strength due to short covering after initial weakness in the US economic growth figures. Oil hit resistance at 92.80 and has opened weaker in a similar pattern to yesterday morning. The activity of yesterday was conducted in a 267 cent range which if is breached today could lead to a bigger follow through.

Support: \$90.56(9 day moving average)	Resistance: \$93.25 (high of 15/01/08)
Support: \$90.16 (Yesterdays Low)	Resistance: \$92.83 (yesterday's high)
Support: \$90.08 (14 day moving average)	Resistance: \$91.88 (40 day moving average)

Summary:



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All eyes will be focused on OPEC for fundamental news today, although the general view is that output quotas will remain unchanged.

There have been calls for an increase in production of which we feel are unlikely. Firstly due to the fact that a perceived slowdown will see a reduction in demand from the oil hungry U.S. economy and secondly that there is little capacity to increase production within the current OPEC infrastructure. Any deviation from this (an agreed cut or increase) will see a strong reaction in either direction. Be aware also that we are far from detached to any moves in the world stock markets which will still have an effect on the oil price direction for the time being.

The ODL oil contract trades between 07:15 and 19:30 UK Time

The ODL oil contract rolls monthly on the day before the ICE Brent front month expiry on the settlement of the front spread

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only lose their initial investment but may incur a liability to pay further unspecified amounts at a later date.

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