

Natural Gas To Flame Higher

Natural Gas MCX Monthly chart



Observations:

- After a long consolidation for three months between Rs.170 and Rs.200 on MCX, the Natural gas futures have shown an upside momentum in the prices and are likely to continue the upside rally in the near term.
- The RSI has given a positive diversion above its average and is also supported by the price trading above its 21DMA indicating further upside. The prices are likely to test Rs.280-300/mmbtu in the near term.
- The MACD and stochastic has given a positive cross over and turning upward, it is a positive sign to support the bullish view in the commodity.
- The prices have breached the 23.6% Fibonacci level and likely to hit the upside levels of 38.2% i.e. 298.3 in the near term.

In the overall observations we have come to the conclusion, that the momentum or the move in the counter is likely to be upward in the near term so we suggest to buy the counter in the range of Rs.210-220/mmbtu for the target of Rs.280-300/mmbtu in the near term.

Outlook:

- Buy Natural Gas futures in the range of Rs210-220/mmbtu for the target of Rs.280-Rs.300/mmbtu with Strict s/l below 170.

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