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Daily Energy Report - Tuesday 19 April 2016

Natural Gas - (K6) - Bottoming ? (+ 0.038 @ 1.940)**R2 = 2.075**

With Natgas ricocheting higher off 1.869-1.862-1.842 ("a"="c") support to start the week we can make a case for a completed ABC pattern down from 2.074. However, before we get too excited about the possibility of a renewed up trend bulls have some work to do. To start the 2.074 high must be exceeded. Have no reason to anticipate further upside until this can be accomplished.

R1 = 1.995**S1 = 1.875****S2 = 1.840****WTI - (K6) - Neutral (- 0.58 @ 39.78)****R2 = 43.45**

While the acceleration off the lows has kept the bullish model alive new highs are not a guarantee. To signal the seasonal advance is not yet over bulls must better last week's 42.42 high. Succeed and the next upside step up for WTI becomes 44.79-45.04. To spoil the party for the bulls bears will need to take out Monday's 37.61 low. Suggest a protective sell stop beneath this level.

R1 = 41.70**S1 = 37.60****S2 = 35.75****Brent - (M6) - Up ? / Peaking ? (- 0.19 @ 42.91)****R2 = 46.80**

Still trying to determine if a five wave advance off the 27.10 low concluded or if an ABC advance off this same low is still in progress. Bulls are the ones that must prove their case. To do that 44.94 must be exceeded. See room up to 46.81-47.77 next if the bulls can make that happen. Would interpret a break beneath Monday's 40.10 low as a sign that a top is more than likely in place.

R1 = 44.95**S1 = 40.10****S2 = 38.10****RBOB - (K6) - Neutral (- 0.0247 @ 1.4365)****R2 = 1.5425**

Big bounce off the lows. Except in RBOB. And that is a big concern. If RBOB heads south from here it has the potential to take the whole petro complex with it. So all eyes on 1.3609-1.3457-1.3443. See this band of support as our line in the sand for the bullish model. Sink below this zone we will have no choice but to look for further downside. That would be bad news for the rest of the petro complex.

R1 = 1.4875**S1 = 1.3610****S2 = 1.2960****ULSD - (K6) - Up ? / Peaking ? (+ 0.0037 @ 1.2359)****R2 = 1.3310**

While the acceleration off the lows has kept the bullish model alive new highs are not a guarantee. To signal the seasonal advance is not yet over bulls must better last week's 1.2907 high. Succeed and ULSD has room to 1.3088-1.3310, even 1.3943 from here. To derail the case for further upside bears will need to take out Monday's 1.1704 low. Suggest a protective sell stop beneath this level.

R1 = 1.2905**S1 = 1.1705****S2 = 1.1220****Gasoil - (K6) - Up ? / Peaking ? (+ 5.75 @ 370.25)****R2 = 396.00**

While the acceleration off the lows has kept the bullish model alive new highs are not a guarantee. To signal the seasonal advance is not yet over bulls must better last week's 383.00 high. Succeed and Gasoil has room to 390.25-396.00, even 417.25 from here. To derail the case for further upside bears will need to take out Monday's 346.25 low. Suggest a protective sell stop beneath this level.

R1 = 383.00**S1 = 346.25****S2 = 330.25**

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