

**General Overview and Outlook - Key to the upside is the 34 day M/As and c/ps. Watch them.**

The market has **completed an initial price cycle**. It has reacted back up and corrected in a very **text book fashion**, characterized generally by moving over the short term - 5, 8 and 13 day - M/As and then, on a **slingshot**, heading for one or both of the first **c/p resistances or the 34 day M/As**. The technical protocol is normally that a market recovers to the short term M/As and runs out of steam, or on stronger corrections the next leg is over these and head for the first c/ps or 34 day M/As. This is a "slingshot" move and is exactly what the contracts have done. They are now pausing for breath. The weakest - **WTI** - moved over the highest short term M/A, the 13 day, around 74.31 today, headed straight for the **c/p at 75.59** (38.2% of 83.40/70.76) and halted. There is no further upside on this correction until this contract can close over **75.59**, whereupon the next targets become **77.08**, the lowest 34 day M/A, co-located with the 50% c/p of the same move. Meanwhile it is very important that WTI holds its lowest M/A, the **8 day around 73.54**, or it's off to re-test the range low at **72.15**. **Brent** was stronger. It made it above all the short term M/As, and headed for the **continuation 34 day M/A, at 76.98**, where it failed over the last two days. It needs to close over here and the higher contract 34 day, at **77.27**. These two M/As are the key to the upside. Meanwhile it must hold its short term M/As clustered below all the way down to **74.78**, the **8 day M/A**. **Heat** is similar to Brent. It made it up to its **continuation 34 day M/A**, tested it for two days and then slipped back. This M/A is around **204.41** today, and the contract M/A is slightly higher at **205.42**. There is no further upside until these two are closed over. They are pivotal resistance - watch them carefully. The short term M/As are clustered below as support all the way down to **199.08**. **RBOB** made a slingshot move right to the first **c/p at 196.74**, with a high yesterday at 196.54. This is pivotal resistance for it. There is also the old range low at **194.28** as important resistance below that. Support is the old gap at **192.56**, and then the M/As all the way down to **190.51**. **Gasoil** ran out of steam at the **continuation 34 day**, at **649.75** today. It is also below its lowest c/p (38.2% of 701.75/614.75) at **648.00**. The market has completed an initial price cycle. The move higher may well not be over yet, but the contracts are pausing at the **c/ps and 34 day M/As**, before making another effort to go higher. The **daily stochastics** are positive, and by no means high. This suggests more attempts to push higher yet. Watch the 34 day M/As and c/p resistances - they are the key to the upside - and the short term M/As are the important supports. Look for tests of resistance later today.

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	Support(+/-2/3c)				Resistance(+/-2/3c)		
October WTI	<i>High</i> 75.58	<i>low</i> 74.01	<i>settlement</i> 74.70	-47			
Daily	73.95(5m)**	then 73.54(8m)**	74.34m**	then 74.80c			
Weekly	73.05r	then 72.15r***	75.59C***	then <u>76.47r</u>			
October Brent	<i>High</i> 77.05	<i>low</i> 75.91	<i>settlement</i> 76.60	-5			
Daily	76.08C***	then 75.61(5m)**	76.98(34m)*	then <u>77.27(34m)**</u>			
Weekly	75.24m**	then 74.78(8m)**	77.42(50%c)***	then 77.69r			
September Heating Oil	<i>High</i> 205.17	<i>low</i> 201.45	<i>settlement</i> 202.52	-191			
Daily	201.29(5m)**	then 199.79m**	202.41r	then 203.38C***			
Weekly	199.08(8m)**	then 198.57r	204.41(34m)*	then <u>205.42(34m)**</u>			
September RBOB	<i>High</i> 196.54	<i>low</i> 192.75	<i>settlement</i> 193.41	-138			
Daily	192.56r**	then 191.91m**	194.28r***	then 194.71c			
Weekly	191.71(5m)**	then 190.51(8m)**	<u>196.74C***</u>	then 197.35M50%c**			
September Gasoil	<i>High</i> 651.00	<i>low</i> 641.00	<i>settlement</i> 646.50	+3.00			
Daily	637.75(5m)**	then 635.25m**	642.75r	then 648.00C***			
Weekly	632.75(8m)**	then 623.75r	649.75(34m)*	then 652.00r			

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