



IS OIL NEAR AN IMPORTANT BOTTOM? – DON'T BET ON IT!

1. OIL has collapsed along with other asset classes during the last several weeks, breaking the March lows and testing the 90-92 lows of late last year. The 200-Day MA and the coincident trendline look like they are pretty well busted, leaving the 90 level as the next important support. The decline appears to be accelerating after breaking below the 200-Day MA. If the 90 support fails to hold, Oil may test the 83-84 level and then very strong support at 75. -8/25/14
2. OIL along with the majority of commodities, has joined the rush to the downside. This monthly chart best indicates the long term picture with some clarity. We like those clean lines and clear breaks. Makes for trusty technical. The best and strongest support in the past has been the 200-Month MA now around the 60 level. It seems that the world is awash in OIL since U.S. fracking is pumping so much and world demand is declining. 11/3/2014
3. Some analysts are speculating that OPEC and Saudi Arabia in particular refused to cut production at their recent meeting to help drive out competition (Russia, Brazil and Venezuela). So, maybe they are. But it is also clear that deflationary forces are taking over in China and Europe... Further support lies at the 200-month MA now about 60. Very much longer trendline off 1999 and 2002 is now about 47 and last hope of importance is around 33! 12/8/2014
4. **OIL FUTURES HAVE SUFFERED THE 2ND WORST DECLINE IN RECENT DECADES!** That top in 2008 was the day hurricane Katrina made landfall in the area of our major oil refineries! [This was misprint as Katrina was 2005. This TOP was geopolitical involving Iran and Israel] In very recent years, Neptune has entered the sign of Pisces which modern astrologers says it “rules.” It may be that this planet in its own sign has brought the world this abundance of Oil! Anyway, that’s what some of them say. It will be in Pisces for a very long time between 1 and 2 decades. So maybe oil has had it for now? On a more ‘down to earth’ topic, the technical conditions of the oil price have been very helpful in projecting these lower regions. It remains a negative picture for now, but could bounce temporarily from that trendline, yet may still approach the 33 level without too much ado. So far though, this trendline has arrested the onslaught for a longer period than any other on the way down. Our advice now would be to take at least half of the tremendous profits off the table and leave a quarter to a third or so to see if it breaks much further. February 2, 2015
5. OIL has remained on our negative balance sheet as below the 200-Day MA and most-times below the 50-Day. It has now closed below everything but the August low at 37.75. The action must be considered critical and immediate and only needs to break that final low to prove the near certainty of our case for \$32-\$34. December 7, 2015
6. We notice that December 21, the Winter Solstice, OIL broke to our projected \$32-\$34 by dipping to 33.98. We seriously doubt that the final low has been reached, though another try at a decent bounce is certainly not out of the question. The agreement with Iran will allow them to sell OIL on Western markets as of next month, and that may put a limit on any bounce potential. If they feel they have a long way to go to catch up, they could flood the market all over again! Some other commodities continue sinking & none have maturing bottom patterns as of yet. Let us watch! News tonight (Sunday) about Iran being miffed about the execution of Shi’ite cleric by Saudi Arabia. Iranians torched the Saudi embassy in Tehran and Saudi’s told Iranian embassy officials to “Go home.” Oil +3% in Asian markets. Anything can happen if these two go at each other. Our Astronomic section: “More news of war/betrayal Sun/Mon”
[Double bottom low was early 2016. Low close \$26.55 20Jan16. Intra-day low \$26.05 11Feb16 - All Current Contract]