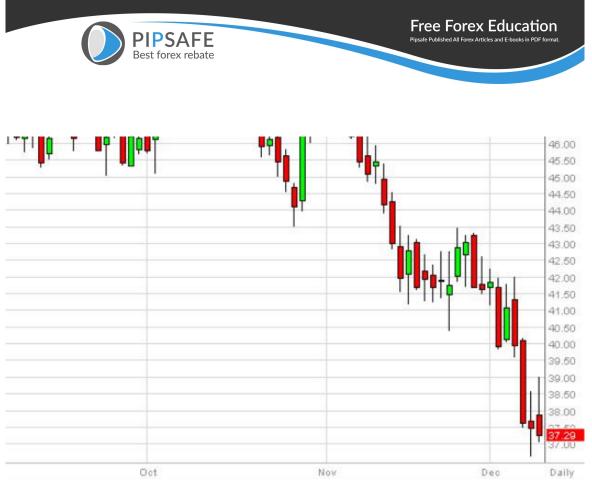


Light Sweet Crude The light sweet crude market initially rallied during the day on Wednesday but found the \$38 level be far too resistive to continue. Because of this, we turned back around and formed a shooting star like candle, and it looks as if we are going to continue to grind our way lower. If we can make a move below the lows from the Tuesday session, we believe that this market will reach towards the \$35 level. In fact, at this point in time that's our intermediate target. Rallies at this point in time should offer selling opportunities every time we get them, especially considering that the \$40 level is just above and of course has a certain amount of psychological significance. Even if we broke above there, it's hard to imagine that the market can get above the \$41.50 level. With this type of bearish pressure, is just simply reckless to consider buying. Oil Chart

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Brent The Brent market try to rally during the session on Wednesday as well, but also failed. The \$41.50 level offered quite a bit of resistance during the day just as it did on Tuesday, and therefore we formed a shooting star, much like the candle that we formed on the previous session. Because of this, it's only a matter of time for we break down in our opinion, and we recognize it sitting right on the \$40 level is of course a sign that the market is respecting the large, round, psychologically significant aspect of the \$40 level. We think that the \$42.50 level above is essentially the "ceiling" in this market, and therefore think that any rally between here and there will end up being a selling opportunity. Quite frankly, we have noticed whatsoever in buying, and believe that the Brent market falling during a day that saw quite a bit of US dollar selling shows just how



bad the situation is in this particular commodity overall. Once we break below the \$40 level, the market will more than likely attempt to the \$38 level, and then the \$35 level. **Oil Chart**



Source: FXEMPIRE

