

**Crude Oil Technical Analysis (2016.03.29)** The WTI Crude Oil market initially rallied during the course of the day on Monday, but found the \$40 level be far too resistive. We turn right back around to form a bit of a shooting star, and then shooting star of course suggests that we are going to fall from here. If we do, the \$38 level below will be supportive, but we should continue to go below there given enough time. In fact, we will more than likely try to get to the \$36 level, but we would wait to see a daily close below \$38, because it would suggest that the downward pressure should continue. On the other hand, if we break above the top of the shooting star, which is essentially the \$40 level as well, the market should then go to the \$42 level. Brent markets initially rallied during the course of the day on Monday as well, but turn right back around and fell below the \$40 level during the trading session. This market looks as if it is trying to get down to the \$38 level, which of course could be supportive, as it is a previous resistance barrier. At this point in time, we feel that the market is trying to consolidate between the \$38 level on the bottom, and the \$42 level on the top. If we break down below the \$38 level, we will more than likely drop to the \$36 level, and then perhaps even as low as \$32 after that. Keep in mind that the rally recently has very strong momentum underneath it, but at the end of the day it's very likely the longer-term downtrend returns. After all, we have a massive glut of supply when it comes to crude oil in general. There is not enough demand, simply because there is not enough economic activity out there at this point in time, which of course drives down

the value of energy in general. However, we do recognize that we could get a bit of a bounce from time to time so keep in mind that we will have to be aware of volatility.



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