

Technical Analysis: WTI Crude Oil

One more leg down to test \$33.00 crucial support

COMMODITY | WTI CRUDE OIL | TECHNICAL ANALYSIS

05 January 2016

- \$38.00 support got breached as predicted in the [previous analysis](#)
- The current pullback seems to be coming to a halt after price rejected the 20 day moving average and \$38.00 support turned resistance area
- \$33.00 support area should be next in line

Current sentiment: Bearish

Resistance 1: 38.00
Resistance 2: 40.00

Support 1: 34.00
Support 2: 33.00

Bearish price action rejecting \$38.00 resistance

1. Price moved in accordance with expectation as stated in the [previous analysis](#). Sellers took control of price after it tested the 20 day moving average and \$43.00 resistance on 27/11/15 and moved price lower thereafter to test the \$38.00 support. The selling momentum continued until it was met with support off \$34.50 where a retracement happened.
2. Subsequently, the retracement was capped by the \$38.00 support turned resistance area. There were some signs of weakness after price tested the \$38.00 resistance area and 20 day moving average on 28/12/15 shown by the Bearish Engulfing Bar. However, the bearish follow through was not strong enough.
3. On 05/01/16, further signs of weakness appeared with sellers firmly rejecting the \$38.00 resistance and 20 day moving average. Moreover, the selloff formed another Bearish Engulfing Bar which signals further downside. If the bearish momentum continues and the 05/01/16 Bearish Engulfing Bar low of \$36.33 gets triggered, this sell down could take price to test the crucial support at \$33.00.

WTI Crude oil front month futures Daily chart



red line = 20 exponential moving average, blue line = 60 EMA, Green line = 200 EMA

Source: Bloomberg

The previous analysis on WTI Crude Oil (23/Nov/2015) can found here:

[Technical Analysis: WTI Crude Oil - \\$38.00 should be next in line](#)

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