



The **Commodity Trader's Guide** deals with these and many other markets in much more detail over multiple time-frames. For more details and information about **Seven Days Ahead's** other trading guides: [CLICK HERE](#)

## Market Update

21<sup>st</sup> May 2009

### Wheels of the Crude Bull Train Look Nicely Oiled

Trends take time to reverse and Crude Oil is no exception. Now, after a Feb low point, a base has been established and the bull train has left the station. There will, of course, be stops along the way and we look at possible nearer term ones here.

### The Commodity Trader's view



WEEKLY CHART – JUL-09:

*On the continuation chart (not shown) it was a break above 50.00 (area of the major Jan-07 low) that gave us an initial bull signal.*

*On the Weekly chart of the new front month this low lies higher, but it has also been exceeded.*

*Two possible station stops here are the Fibo retracements of 23.6% **67.00**, and 38.2% **82.40**.*

SEVEN DAYS AHEAD

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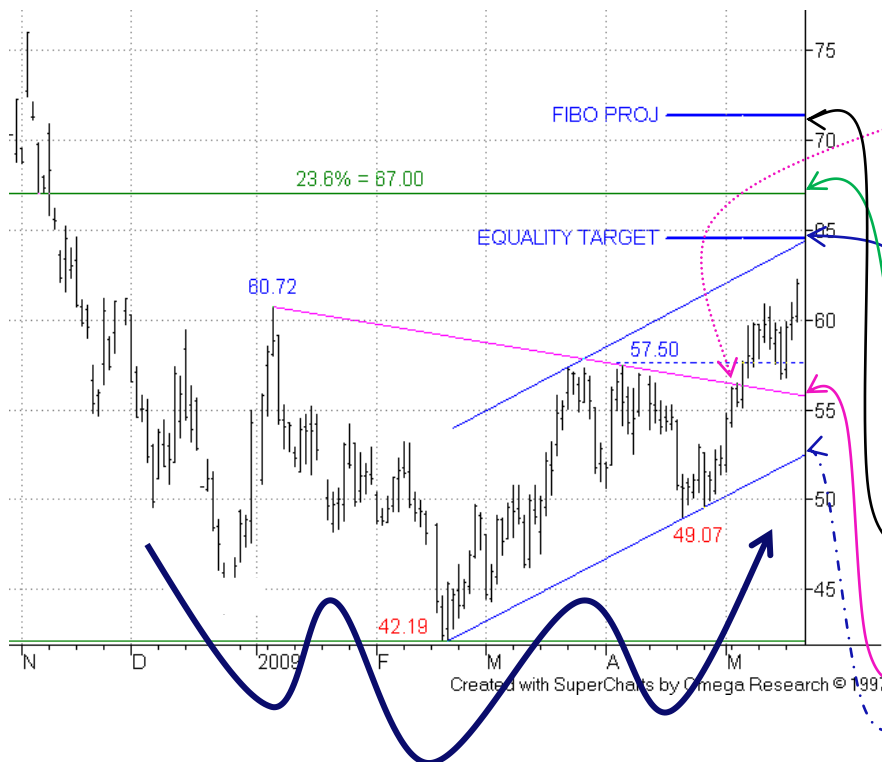
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DAILY CHART – JUL-09:

We can say that a medium term base completed after the break above falling resistance.

The shorter term structure suggests no bull fatigue yet, *but we note some (presumed temporary) overhead hurdles:*

- dual resistance from a channel top projection and equality target (42.19-57.50) upleg extended from 49.07 low, around **64.50** just now
- the 23.6% **67.00** level
- a Fibo projection at **71.35**

**These advocate a strategy to buy on dips, such as towards the return line near 56.00, stops at least below rising support at 52.50, if not just below 49.07 21-Apr low.**

Ideally support for dips will be found above that rising support line, but ultimately we want to see the 49.07 low stay intact – a close below here would be of grave concern to the bulls.

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