



the technical analyst

AWARDS 2011

F I N A L I S T

## SUMMARY

## POSITIONS

+ Oil

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[Alpha  
capture  
Performance  
to date  
from 2006](#)



# Multi-Asset Trade and Investment Recommendations

16<sup>th</sup> February 2016

**John Lewis**

**Mark Sturdy**

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# Summary

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2<sup>nd</sup> February SHORT Light Crude Oil April 2016 @31.93. Stop \$36.35. Target \$15.

[Alpha  
capture  
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(1) TECHNICAL: 2<sup>nd</sup> February SELL Light Crude Oil April 2016 @31.93. Stop \$36.35. Target \$15.

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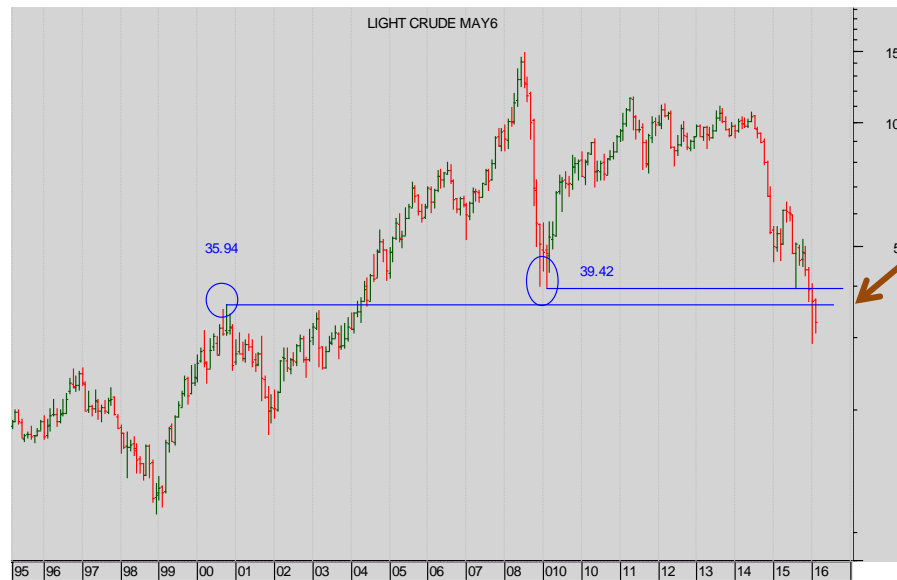
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## MONTHLY Chart –

The market has broken the support from the Prior High at 35.94 and looks to be ratcheting down beneath the Prior Low of 39.42. Though only a monthly close would confirm that.

Two weeks is a long time in the markets!



## Daily Chart

The continuation Triangle has completed simultaneously with the smashing down beneath 359.94.

The minimum move implied by the Triangle?

Down as far as \$15.

The pause at the bottom of the Triangle may have worried the bears... But there seems little appetite to break above \$36.

More



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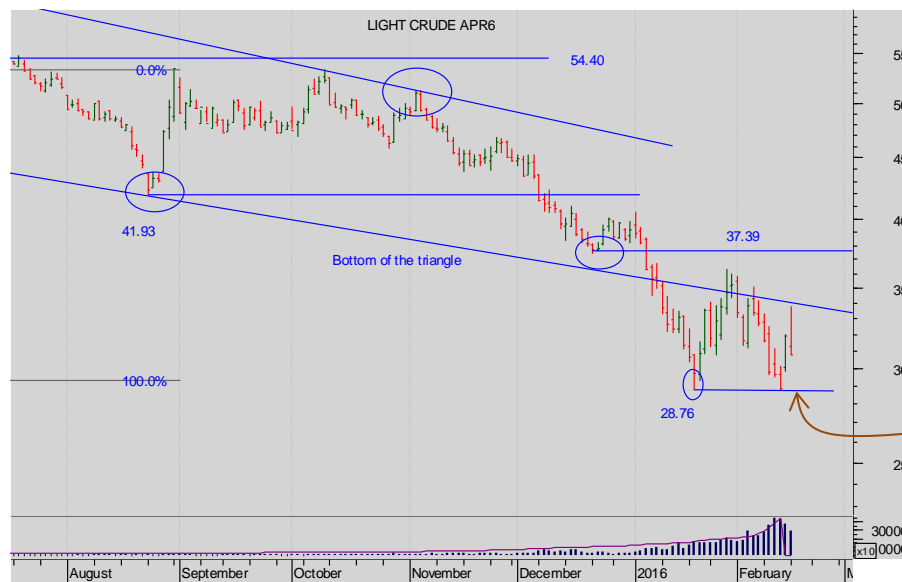
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## MONTHLY Chart –

In greater detail the bears should be further encouraged.

There seems no strength in the rallies of the last two weeks.

Is a continuation Triangle being formed?

Now watch for a break beneath 28.76.



(1) **FUNDAMENTAL:** 2<sup>nd</sup> February SELL Light Crude Oil April 2016 @31.93. Stop \$36.35. Target \$15.

The price action in the oil market remains bearish.

The market sold off hard into Thursday last week, and only staged a recovery on Friday when Russia repeated her offer to Saudi Arabia to agree production cuts.

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Today a meeting was unexpectedly held between Russia, Saudi Arabia, Venezuela and other producers when they agreed to hold production at January levels, but that agreement depends on other key players: Iran, joining the agreement and currently they are determined to increase their oil production.

The market's initial reaction was a rally, but that has since evaporated as traders realise that doesn't mean a production cut, the glut remains a force in the oil market and the agreement looks unlikely to come into force anyway.

Given the geopolitical considerations of the Middle East and the fact that Russia and Saudi Arabia are supporting opposing factions in Syria we would have been surprised if anything more substantial was agreed.

In summary we advise holding the trade.

[Alpha  
capture  
Performance  
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+ Oil

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### SEVEN DAYS AHEAD

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