

Commodity Watch: Crude oil

Brent moving inside \$59.79 to \$62.83

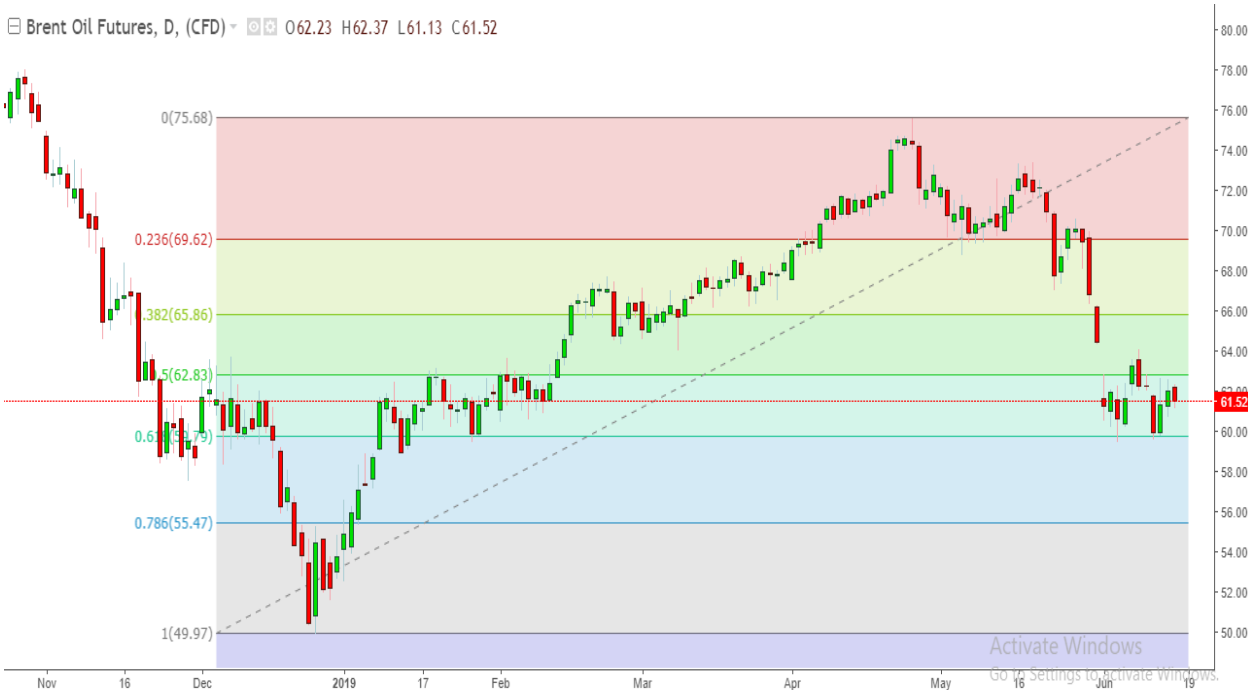
Considering last week’s price action and the close at \$62.01, the direction of the August Brent crude oil futures contract is likely to be determined by price action at 50% level at \$62.83 and the 61.8% level at \$59.79. Holding inside this zone will be another sign of trader indecision.

Bullish Scenario

Taking out \$62.83 will signal the presence of buyers. If this move generates enough upside momentum then look for the rally to possibly extend into the main top at \$64.49. Taking out this main top will change the main trend to up. This could trigger a surge into the 38.2% level at \$65.86.

Bearish Scenario

The inability to overtake \$62.83 will indicate the presence of sellers. Taking out \$59.79 will indicate the selling is getting stronger. This could lead to acceleration to the downside if \$59.79 and \$59.45 are taken out. The daily chart is wide open to the downside with the next major downside target the December 24 main bottom at \$49.93.



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