

OIL TREND CHANGE

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The trend breakout in NYMEX oil, first signaled by the Guppy Multiple Moving Average indicator, has been confirmed. This is a significant trend change. Oil established a pattern of longer term trend reversal with price oscillation around the \$38 level which formed a base for the rally to the next resistance level near \$48. The next upside target is near \$58.

Two barriers feature on the chart acted to slow the rally \$38 from developing into a trend change.

The first resistance feature is the historical resistance level near \$48. This resistance feature was strengthened by the proximity to the upper edge of the long term GMMA which is also near \$48 when the rebound rally commenced.



Both of these barriers have now been overcome. The upper edge of the long term GMMA fell to near \$46 and price has now moved above this level. Price has also moved above \$48. Traders now watch for a retest of these two resistance features to act as support features for any retreat. .

The separation in the long term GMMA is compressing and turning upwards. A change in trend direction is confirmed when the long term GMMA group of averages first develop compression and then later turn upwards. The width and direction of the long term GMMA confirms that investors will buy into any future retreat and drive oil prices up towards the historical resistance level near \$58.

The resistance level near \$58. This is the most significant resistance level for any trend change. A successful breakout above \$48 can move quickly to the historical resistance level near \$58. This offers good short term trading opportunities. We continue to use the [ANTSYSS](#) trade method to extract good returns from these price movements

When the oil price fell the downside targets were calculated by taking the width of the trading band and projecting in downwards below each new support level. The trading bands for oil are around \$10 wide. This was particularly useful for describing the fall of the oil price between \$108 and \$38.

The same method is used to calculate the upside targets for any future new uptrend in oil. The breakout above \$38 has a target near \$48. The breakout above \$48 has a target near \$58.