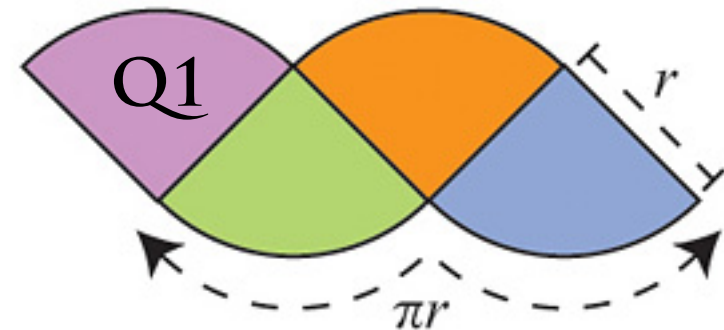




22 March 2016

Petroleum Complex:
the post Q1 outlook

Walter J. Zimmermann Jr.
ICAP Technical Analysis



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A Year Ahead Scenario for the Petroleum Complex

- Markets excel at disguising their intentions.
- Therefore most are caught long into major peaks and most are caught short into major lows.
- Another fact of the markets is that there is never direct confirmation of a major turn anywhere near the actual high or low.
- In fact many markets seem to take delight in delaying major break downs or break outs as long as possible.

Five Big Questions From Here

1. Did the petroleum markets already bottom for the year?
2. And are those recent lows also 15 year cycle lows?
3. What key resistance must be decisively bettered to buttress the case for the recent lows as major, longer term lows?
4. And if this rebound peaks into that key resistance, then where should there be long term support if the 15 year cycle low is already in?
5. In other words where is key resistance, and then key support from here, if the market is going to succeed at disguising its intentions as long as possible?

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Key Resistance

- The accuracy of the key pivots outlined in this report hinges of accurately identifying the pivotal resistance points.
- For this wave count WTI must decisively better 45.60 to confirm the case for 26.05 as an important, longer term low.

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WTI - daily

Key Support

After a 26.05 to 45.60 rally the lowest price still consistent with a bull market correction is the 30.20 area.



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Brent - monthly



Key Resistance

For the wave count outlined here Brent must decisively better 48.85 to confirm the case for 27.10 as an important, longer term low.

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Brent - daily

48.8285 (23.6%) of 119.17 to 27.10

48.8285 (0%)

49.00

48.00

47.00

46.00

45.00

44.00

43.00

42.00

41.00

40.00

39.00

Mid-point

37.96

37.00

36.00

35.00

34.00

33.00

31.7499 (78.6%)

32.00

31.00

30.00

29.00

28.00

27.10 (100%)

27.00

27.10 (0%)

27.10

10 Dec 15 24 '16 15 Feb 15 Mar 15 24 Apr 15 Daily

Key Support
After a 27.10 to 48.85 rally the lowest price still consistent with a bull market correction is the 31.75 area.



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Key Resistance

Based on both the longer term continuation chart and the contract month charts of May through July I expect the summer seasonal peak in RBOB will be this side of the 1.7000 level.

Key Support

After an .8975 to 1.7000 seasonal advance no bull market correction of that advance should be able to dip below the 1.0680 level.

1.6936 (61.8%) of 2.1857 to .8975

RBOB - daily

- 1.7250
- 1.7000
- 1.6750
- 1.6500
- 1.6250
- 1.6000
- 1.5750
- 1.5500
- 1.5250
- 1.5000
- 1.4750
- 1.4500
- 1.4250
- 1.4000
- 1.3750
- 1.3500
- 1.3250
- 1.2900**
- 1.2750
- 1.2500
- 1.2250
- 1.2000
- 1.1750
- 1.1500
- 1.1250
- 1.1000
- 1.0750
- 1.0500
- 1.0250
- 1.0000
- 0.9750
- 0.9500
- 0.9250
- 0.9000
- 0.8750
- 0.8500

1.5426 (23.6%) of 3.6310 to .8975



8 15 24 '16 15 Feb 10 22 Mar 8 15 23 Apr 8 15 Daily

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ULSD - daily

Key Resistance

While what bulls really need is a decisive break above 1.6000, the bears get in serious trouble on a decisive break out above the 1.4300 area.

1.6001 (50%) of 2.3514 to .8487 1.6000

1.4360 = 1.618 x -A- = -C- 1.4295 (0%)
1.4227 (38.2%) of 2.3514 to .8487 1.4000



Key Support

- After an .8487 to 1.4300 advance no bull market correction of that rally should be able to dip below the .9730 level.
- The 1.2000 marks the mid-point of 1.4295 and .9730

0.9730 (78.6%) 1.0000

0.8487 (100%) 0.8487

.8487 (V) of -V- of <III>

12 20 Dec 15 23 '16 15 Feb 10 22 Mar 15 23 Apr 15 Daily

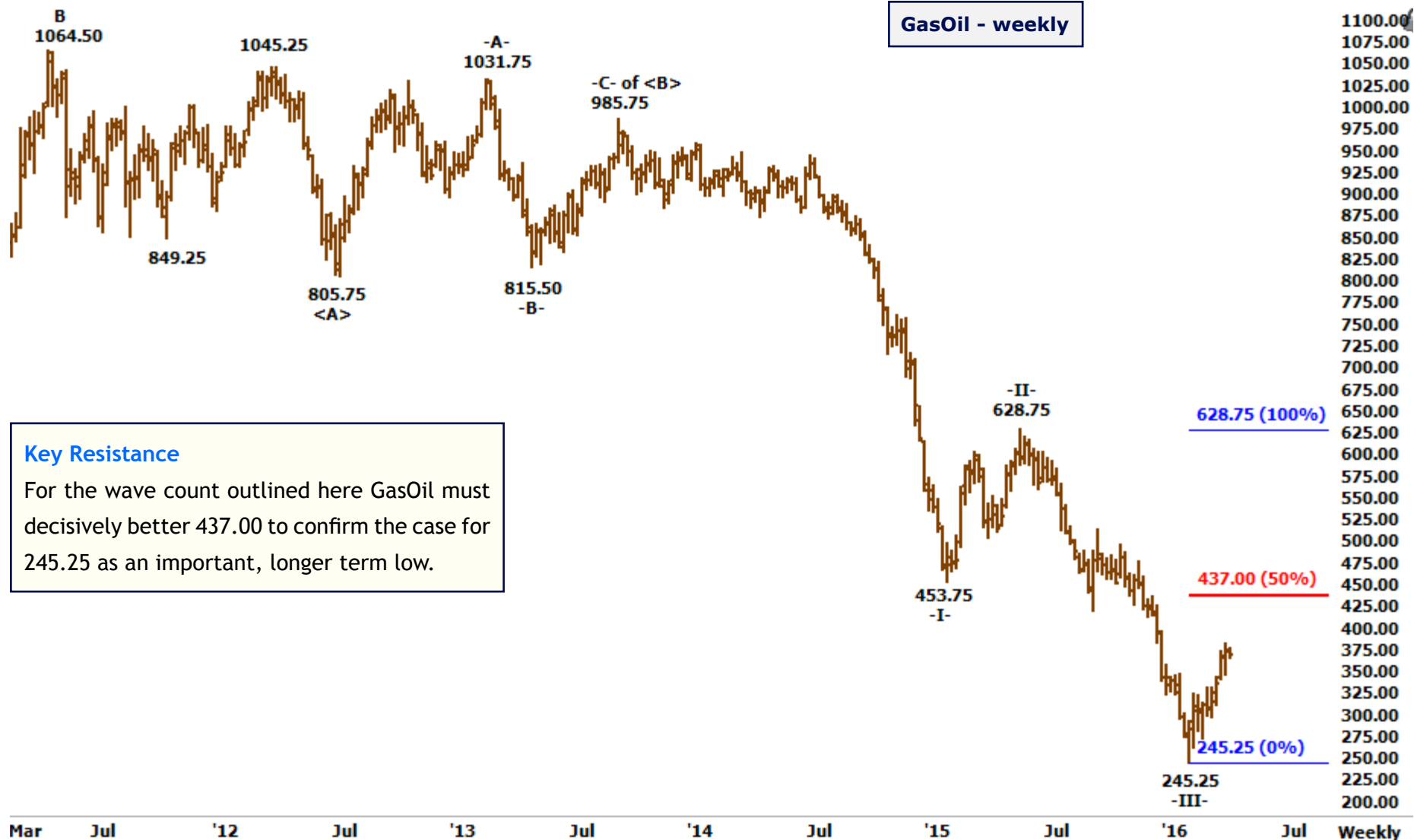
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GasOil - weekly



Key Resistance

For the wave count outlined here GasOil must decisively better 437.00 to confirm the case for 245.25 as an important, longer term low.

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