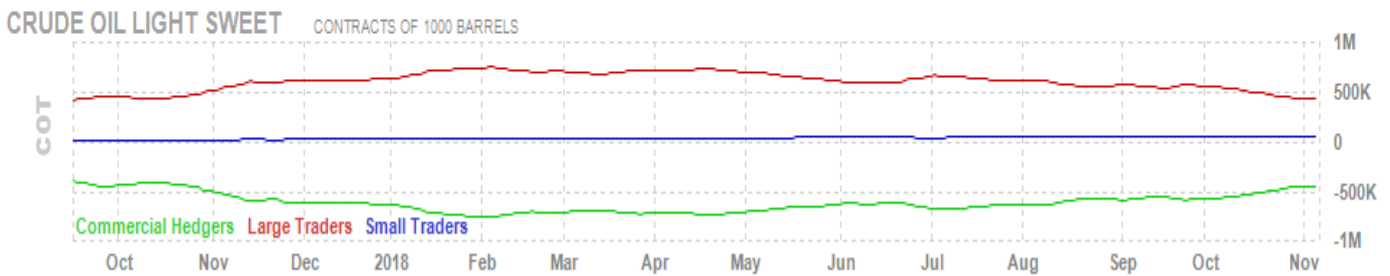


Is A Crude Oil Liquidation Event Ahead?

West Texas Intermediate (WTI) crude oil is down approximately 20% since the start of October, putting it into bear market territory. Crude oil's rout is due largely to [reduction](#) of the severity of the sanctions placed by the U.S. on Iran as well as the financial market and economic fears that have resurfaced in the past month. WTI crude oil broke below the key \$65 per barrel level, which is now a resistance level, which is a sign of technical weakness. Crude oil would need to close back above this level in a convincing manner in order to negate this breakdown.



The weekly crude oil chart shows how WTI crude oil broke below its uptrend line that started in mid-2017. If the breakdown remains intact, the next key level and price target to watch is the \$55 support level that formed at the late-2016/early-2017 highs.



As I've been pointing out since the start of this year, crude oil futures speculators or the "dumb money" (the red line under the chart) have built a massive long position in WTI crude oil of just under 500,000 net futures contracts. There is a very real risk that these speculators will be forced to liquidate if the sell-off continues, which would greatly exacerbate the sell-off.



Crude oil is an economically sensitive asset and may be selling off as it prices in the rising [risk of a recession](#) in the not-too-distant future. **We at Clarity Financial LLC, a registered investment advisory firm, specialize in preserving and growing investor wealth in times like these. If you are concerned about your financial future, [click here](#) to ask me a question and find out more.**