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Eventually The Bear Gets Everything: Including Energy Prices

Before getting to the price action in Crude Oil and Gasoline, it is worth emphasizing that once a great financial mania completes the business cycle almost immediately turns down. This combined with the usual strength in the senior currency forces a bear market for most commodities.

“This time it is different” is often the hopeful cry as a great speculation fails. But this time there really is something different and it is the hysterical attempt by policymakers to control everything. Never seen in the Western world with such unrelenting ambition. Lockdowns of the global economy. Destroy small businesses while favoring huge companies. As best possible control freaks shut down the oil and gas supplies in Canada and the US, while keeping most of the Russian taps open.

Then with physical shortages across the economy, central bankers aggressively ramped up the money supply. Well, it is their job, isn't it?

And then Putin with visions of restoring his imagined grandeur of the discredited USSR invaded Ukraine, dislocating the flow of agricultural products from grains to fertilizers.

An extraordinary mess, but the action in stock and credit markets, the Gold/Silver Ratio and the again firming DX, is suggesting that a failure in most commodities is next on the path to another post-bubble contraction.

And this week there are headlines about global real estate prices turning down.

We recently pointed out the upside action in Gasoline and Crude is becoming technically excessive. This update looks for failure indicators.

These important items seem to be at a knife-edge of change, perhaps realized over the next 6 to 8 weeks. Key commodities down, US dollar up.

For WTIC, the following chart shows the developing momentum technical excesses with the Daily Sequential Sell.

The failure could be signaled by a Weekly Downside Reversal.



However, US Gasoline could be a proxy for the price around the world and the technicals have extended since our last update.

As widely reported, the rally in Gasoline has been remarkable, obtaining the highest Weekly RSI on a chart back to 2005.

On Ross's method, the buying frenzy has accomplished Upside Exhaustions, which is based upon momentum, as well as a Sequential Sell, which is based upon pattern.

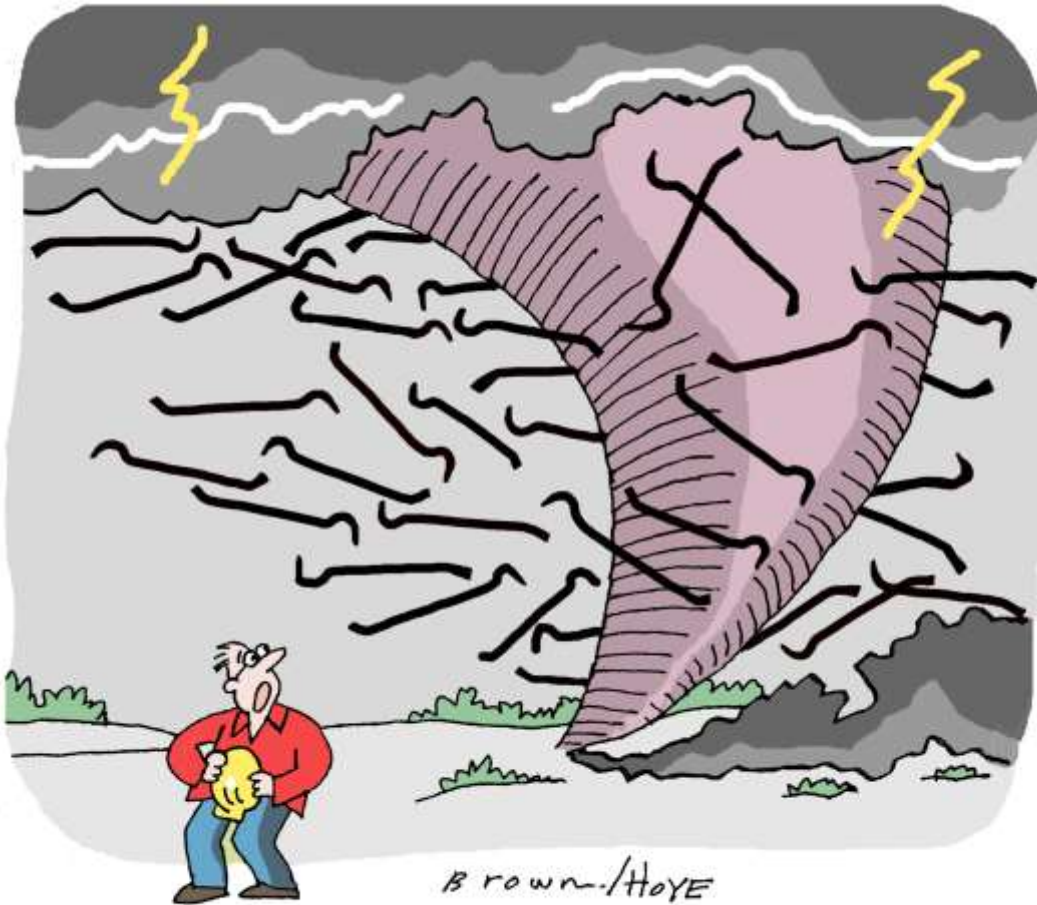
Adding up to a significant warning,

That American consumers are facing financial devastation provides a fundamental reason for the potential collapse in the GASO price. Which could soon hit the Crude Oil market.

The "Crowbar Storm" can encompass the global energy sector.



THE BIG ECONOMIC FIX IS ON



Brown-HOYE

*All the so-called safety nets will be as useless
as a hard hat in a crowbar storm.*