The Importance of Crude Oil as a Commodity and Market:

We have to start with the principle of interconnectivity in markets. What is happening in commodity markets affects inflation expectations, which in turn affects interest rates, because traditionally, interest rates are a function of inflation rates. Interest rate levels can then affect the strength of a country's currency, which can affect a country's economic performance, which can affect a country's stock market performance, so on and so forth. All markets are connected: Stocks, Bonds, Currencies, Commodities.

Crude Oil is important because its weighting within various commodity indexes, including the S&P GSCI index and Bloomberg Commodity index, is greater than any other commodity in the market. Therefore, we can deduce that movements in the price of Crude Oil can have a greater effect on inflation expectations, and by extension, interest rates, more so than any other commodity market.

There are two main Crude Oil markets: West Texas Intermediate (WTI) Crude Oil and Brent Crude Oil. WTI is commonly used for gasoline refining and is the primary benchmark for the U.S. oil market. Brent is commonly used for diesel fuel and gasoline refining and is the primary benchmark for oil in the Middle East, Europe, and Africa. The MMA Crude Oil report tracks the price of WTI Crude Oil.

Crude Oil likely formed multiple long-term cycle bottoms during the hyperinflationary episode this market witnessed back in April. The MMA Crude Oil report is comprised of three parts: Monthly, Weekly, and Daily. The monthly report looks at the long-term, secular trends of cycles of the oil market. More emphasis is placed on long-term cycles than primary or even major cycles. The weekly report places an emphasis on intermediate cycles (under four years) and the primary cycle. The daily report is keener on the primary, half-primary, and major cycles, and therefore, more concerned with short-term price fluctuations.

For nearly three months this year, the price of Crude Oil traded basically traded within an $8 range (from early-June to early-September). But as the primary cycle matured into its late stages in late-August, our report highlighted that downside risks began to outweigh the upside risks. The following was stated in the August 31, 2020 daily report for Crude Oil:

"*As stated for Friday, "If Friday is not a strong up day, we may revert back to the short side going into next week since it would start the 19th week of the primary cycle." It wasn't, and now have bearish divergence signals in price from the CCI indicator on both weekly and daily time scales late in the primary cycle. The risk-reward ratio is beginning to favor the downside, at least for the next 3 weeks, until the week of September 14, which is when we would expect a primary cycle low.*

***Position traders**: Are 2/3 long with a stop loss on a close below 42.00 now after covering 1/3 for a nice profit. Let's cover remaining 2/3 positions at current level and go short with a stop loss on a close above 44.00.*
***Aggressive traders**: Are 2/3 long with a stop loss on a close below 42.00 now after covering 1/3 for a nice profit. Let's cover remaining 2/3 positions at current level and go short with a stop loss on a close above 44.00*."

Crude Oil prices closed at 42.61 on August 31. By September 8, they closed down at 36.76, a +13% decline in just 5 trading days. The MMA Crude Oil report tracks the nearby futures contract with the highest trading volume. There are two contract sizes available for individuals to trade: the main contract and the mini contract. For the main contract, every 0.01 tick is worth $10, for the mini contract, every 0.025 tick is worth $12.50.

The September 8, 2020 edition of the report stated:

"***Position traders****: Are 2/3 short with a stop loss on a close above 38.80 now after covering 1/3 already for a nice profit. Traders were advised, "Cover another 1/3 at 36.80 +/- .30 if offered." Got it, so we are out of the second 1/3 for another nice profit.*
Aggressive traders*: Are 2/3 short with a stop loss on a close above 38.80 now after covering 1/3 already for a nice profit. Traders were advised, "Cover another 1/3 at 36.80 +/- .30 if offered." Got it, so we are out of the second 1/3 for another nice profit*."

Traders were able to scale out of 2/3 of short positions within 5 trading days at significantly lower prices with substantial profits. Stops were triggered on the remaining 1/3 short positions, at which point traders reverted back to the long side of the market.

There are many changes taking place within the oil market in 2020. From a geocosmic perspective, Neptune and Jupiter are the main rulers of Crude Oil. Jupiter is currently in the restrictive sign of Capricorn, contrary to its own planetary nature, while Neptune is in its ruling sign of Pisces. Neptune in Pisces can signify a great transcendence about our collective awareness of energy use and consumption, but it can lead to delusions and deceptions surrounding the matter as well. Jupiter in Capricorn speaks to the hyper deflation this market experienced in April, but the price collapse has led to a massive reduction in oil production, which is setting the stage for lower energy supplies in the next couple years. Eventually, this could translate to higher prices, which would send a ripple effect throughout all financial markets. In other words, Crude Oil is an especially important market, especially with respect to the broader commodity market, and totally worth monitoring on a regular basis.