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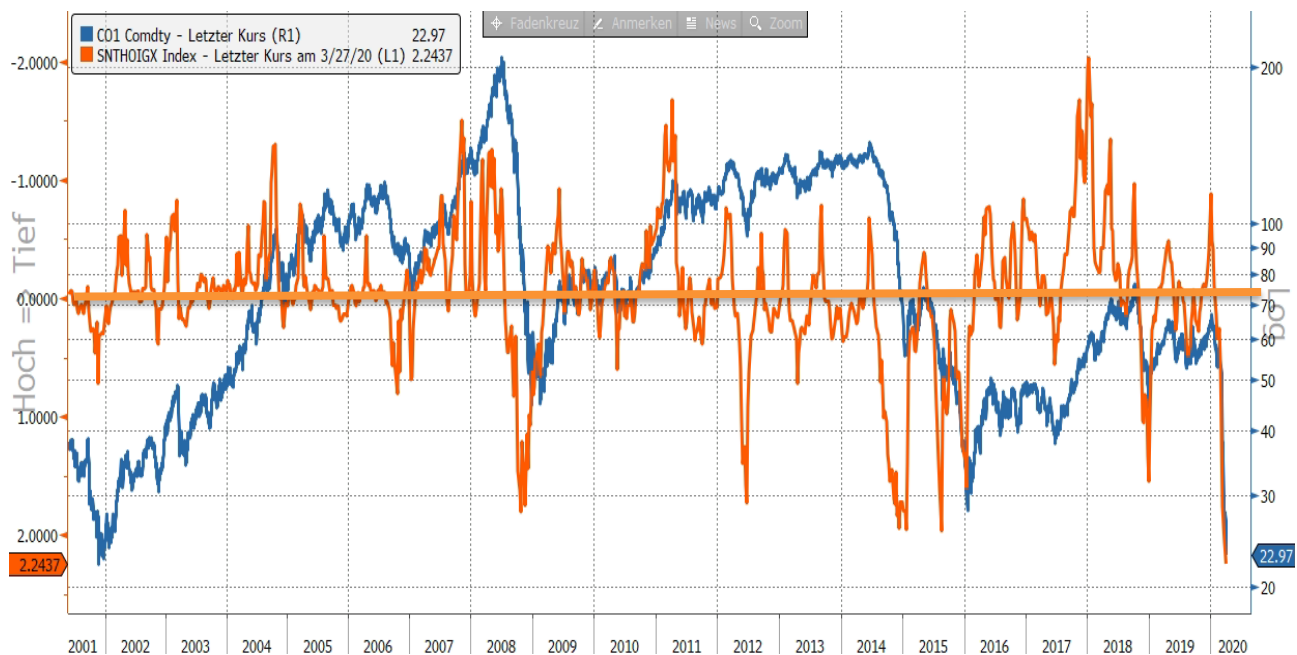
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Contrarian opportunities with crude oil

Crude oil has been in free fall in recent weeks. The Brent spot price has not fallen by 50% within a month since 1983. What does this mean for investors?

For courageous investors, this creates opportunities! Because the sentix risk radar on crude oil is currently reaching an all-time high. All partial indicators contribute to this score. The technical parameters are very important. The gap to the medium-term moving average is +4.2 standard deviations, which is a consequence of the crash-like distortion following the escalation in the dispute between Saudi Arabia and Russia. But sentiment and positioning are now also providing strong support. Oil is thus an opportunity for real contrarians!



sentix Risk Radar Overall index for crude oil (inverted) and Crude Oil (Brent in USD, adj. endless contract)

However, there has never been such a rapid dislocation as at present. Comparable to the current situation in terms of the extent of the price change are the crashes in 2008 and 2014, which, however, lasted for more than six months before prices began to recover.

There is therefore much to suggest that we are currently only talking about a technical recovery and not yet about a medium-term trend reversal. The opportunity for this seems to be there for courageous contrarians.

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