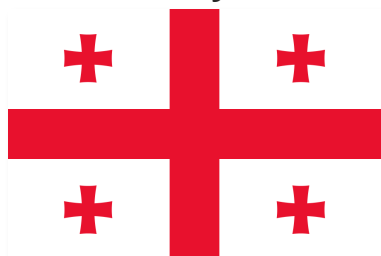


Market Commentary | January 14, 2015

AM FX

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On this day in 2004



The national flag of Georgia, the so-called "five cross flag", was restored to official use after a hiatus of some 500 years.

Current Trades

Long EURNOK @ 9.07
Stop loss 8.93
Take profit 9.32

The craziest selloff ever?

So you may or may not be surprised to learn that the weekly RSI in crude oil is at 8.5 right now. Personally, I was extremely surprised because you rarely see RSI readings below 20, especially on a weekly chart. This prompted me to have a look at some of the greatest asset market sell-offs of all time to see how this 2014/2015 oil move compares. As far as I could find, this crude oil move is the most aggressive sell-off in the history of major financial markets¹. I didn't go through every asset and every time frame so I probably missed a few but the list below is a pretty good list of major assets sell-offs that I can remember. If anyone finds something that had a lower weekly RSI please let me know (it's definitely possible!).

Take a look at the moves below and remember back to how insane each one was at the time. Bond crash in 1980? This is more insane. Bursting of the NASDAQ bubble? This is more insane. AUDJPY unwind of 2008? Nope. This is more insane. I acknowledge there are lots of ways to measure the relative insanity of moves but you get the idea. This oil move is an absolutely historic move. Epic.

LOWEST WEEKLY RSI READINGS I COULD FIND IN THE HISTORY OF MAJOR ASSET MARKETS

Asset	Year	Low in the weekly RSI
Crude Oil	2015	9
US bonds	1980	10
Gold	1997	12
USD/CAD	2007	13
AUD/JPY	2008	14
EUR/USD	2014	16
Greece 10-year bond	2012	16
USD/CHF	2008	19
Silver	1982	20
Crude Oil	2008	20
Greek equities	2012	22
DJIA	1932	23
XLF	2009	24
NASDAQ	2001	26

Good Luck ↕ Be Nimble

¹ I did not include single name equities or anything that was pegged and became unpegged (Asian FX in 1997, etc.) because those have scope to move more in a prolonged straight line than a normally-trading free market instrument generally would.

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IMPORTANT DISCLOSURES

Contact: CitiFXWire@citi.com
https://icg.citi.com/data/documents/S&T_ExternalDiscl_0209.pdf

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