

FIS Brent Daily technical

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FIS Technical – Brent Aug 21



	Support	Resistance	Current Price	Bull	Bear
S1	69.27	R1	71.46	RSI is above 50	Stochastic overbought
S2	68.37	R2			
S3	67.15	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- The futures traded above the USD 70.24 level indicating upside momentum was improving based on price, resulting in the futures trading to a high of USD 72.18
- Near-term resistance is at USD 72.18 with a potential upside target at USD 74.25
- The futures are now above the lower channel support and the 8—21 period EMA's with the RSI above 50, indicating we are in a bullish trending environment
- The RSI is trading above the peak from the 04/05/21, however there is a longer-term divergence in play dating back to Feb/21. Although the short term daily technical is showing bullish signals, the longer-term divergence does warn of the potential for a momentum slowdown soon
- Price is rising but aggregate open interest is falling. As the futures move higher existing market longs have been exiting. Technically this not considered as bullish (Murphy) as it can often be a sign of market exhaustion
- Downside moves that close below the USD 70.66 would indicate momentum is weakening based on price; however corrective moves lower that hold at or above the USD 67.15 level would support a buyer's argument, below this level the pullback is considered as deep and the technical phase neutral
- Technically bullish in a trending environment with a potential upside target at USD 74.25, there are warning signs via the open interest and the longer-term divergence that we could potentially enter a corrective wave soon

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