

FIS Brent Daily technical

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FIS Technical – Brent Aug 21



Support	Resistance	Current Price	Bull	Bear
S1	72.01	74.08	RSI is above 50	Stochastic overbought
S2	70.58			
S3	68.66			
R1	76.86			
R2	79.09			
R3	80.23			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- The futures remain in a bullish trending environment with price above the 8—21 period EMA's and the RSI above 50
- Downside moves below the USD 72.01 level would break fractal support and create a lower low in the market. At this point the technical is considered as bearish based on price.
- Upside moves that trade above the USD 76.86 resistance will target the USD 80.23 level. If achieved this would be 161.8% the previous bull wave between March-May 21, suggesting the move is a bullish impulse Elliott wave 3.
- The RSI is now above the May high supporting a near-term bull argument, however we continue to see a longer-term negative divergence in play that dates back to Feb-21. The divergence is not a sell signal but does warn of wakening momentum
- The upside move since the 18th of June is around USD 4.00, however it is accompanied by a drop in Aggregate open interest (AOI) and volume indicate existing market longs between USD 65.00—USD 75.00 are exiting the market, I.E. Risk off
- Technically the trend is bullish, however the longer-term divergence alongside the drop in volume and AOI is warning we could be nearing a corrective phase in the market. Alternately, it could just be risk off for the up and coming OPEC meeting this week. If Price, volume and AOI rise after the OPEC meeting it would signal bull continuation

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