

FIS Brent Daily technical

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FIS Technical – Brent Nov 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	89.23	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is above the weekly pivot point USD 96.86
- The futures traded below the USD 91.51 support signaling we were entering a new bearish cycle. We traded below but failed to hold below the USD 84.61 support, having moved higher price is now trading between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 98.06 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 105.48 will it confirm that the bearish cycle has failed.
- The intraday wave analysis does have a five-wave pattern lower, which is the reason behind the current upside move (plus USD weakness). This intraday move is unlikely to be completion of the higher timeframe wave 3 (marked ((III)) on the chart) as it would be considered as too short. This would suggest that the intraday move is part of the larger wave 3, making USD 98.06 a key resistance to follow, if it is breached it not only warns that the cycle is neutral it means it could fail.
- Downside moves below USD 83.65 will have bearish implications going forward as it will confirm we have started another intraday wave cycle (lower timeframe Elliott wave), suggesting the USD 78.94 and USD 71.71 support levels are vulnerable.
- The technical is bearish with upside moves considered as countertrend at this point. We have seen an aggregate open interest (AOI) build on the downside move since the high at USD 95.80, suggesting there is a small build of market shorts in the market. If the market moves higher and the AOI starts to drop you will know it is the market looking for cover.
- The Elliott wave is based on the psychological footprint in the market, it can and does fail. We highlight this due to the outside variables, I.E Ukraine invasion, dollar strength as the global economy slowdown, alongside the recent run-on Sterling.

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