

FIS Brent Daily technical

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FIS Technical – Brent Dec 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	94.83	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the weekly pivot point USD 94.46
- Technically bearish on the last report, we highlighted concerns regarding the psychological footprint of the market (Elliott wave) due to the run-on sterling, dollar strength, Ukraine invasion etc. The quota cut by OPEC of 2 mil bpd has resulted in the futures creating a higher high in the market with price trading above the USD 98.06 resistance, meaning the wave cycle has a neutral bias. The Quota cut has potentially killed off the bearish wave cycle, for this reason we will focus on more generic indicators. Price has made a higher high, indicating the technical is bullish with the futures above the 8-21 period EMA's whilst the RSI is neutral at 50.
- Downside moves that hold at or above USD 90.57 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 86.35 is the technical bearish.
- We can see that the current upside move is greater in time and price than the previous upside move (August), at this point the upside move is smaller in time and price than the July rally; however, the technical is holding in bull territory above USD 90.57, until breached this bull wave is still in play. If we move above USD 99.97 then the probability of further upside moves will increase.
- Technically bullish we are seeing a build in aggregate open interest, supporting the upside move. The RSI at 50 with the stochastic in overbought territory is a concern, if the RSI moves below 50 then momentum would imply the futures are vulnerable to a test to the downside. However, if the RSI holds above 50 the stochastic becomes less relevant. Upside moves above USD 99.97, or downside moves that hold at or above USD 90.57 will support a bull argument going forward.

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