

FIS Brent Daily technical

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FIS Technical – Brent May 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	79.58		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is below 50 (48)
- Stochastic is overbought
- Price is below the weekly pivot point USD 74.19
- Technically bearish last week, we maintained our view that upside moves should be considered as countertrend based on our Elliott wave cycle. The MA on the RSI implied that momentum remained weak; however, If the futures did trade above USD 77.44 intraday high, it would suggest that the USD 78.73 and USD 81.10 resistance levels could come under pressure. The symmetrical triangle targeted USD 67.38 but our current Elliott wave cycle suggested that we had the potential to trade as low as USD 65.72, providing we did not trade above USD 77.44. The futures found buying support and have moved higher on the back of risk on sentiment as the banking crisis eased. Price has traded above the USD 77.44 intraday fractal resistance to a high of USD 79.68. The futures are above the 8-21 period EMA's and the weekly pivot point with the RSI below 50.
- Upside moves that fail at or below USD 80.10 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 86.75 will the technical be bullish.
- The futures are trading just below the USD 79.68 high from two days ago with the intraday technical warning we will be in divergence above this level. The MA on the RSI has started to flatten, indicating sell side momentum has slowed down; however, the RSI is below 50 with the stochastic in overbought territory. If the RSI remains below 50 then momentum is warning that the futures are vulnerable to further tests to the downside; likewise, if it goes above 50 then the overbought stochastic is considered as less relevant. Key resistance remains unchanged at USD 81.10; the futures are bearish below this level and neutral above. Due to the intraday divergence and the RSI/Stochastic combination on the daily technical, we do not consider the futures a technical buy at this point. Elliott wave analysis continue to suggest that this upside move looks to be countertrend.

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