

FIS Brent Daily technical

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FIS Technical – Brent June23



Support	Resistance	Current Price	Bull	Bear
S1	R1	86.29	RSI above 50	Stochastic overbought
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
- Due to the intraday divergence and the RSI/Stochastic combination on the daily technical, we did not consider the futures a technical buy on the last report. Elliott wave analysis continued to suggest that this upside move looks to be countertrend. OPEC achieved their near-term goal when they cut production as the futures broke a fractal resistance on the daily chart, meaning the technical is bullish based on price, and the Elliott wave cycle that had suggested a 5th wave lower has now failed. The technical is bullish, price is above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 76.03 will support a bull argument, below this level the technical will have a neutral bias.
- The big question, does the Elliott wave cycle failure on the lower timeframe signal that the larger cycle has failed? The honest truth is, I am not sure. The move that started in June 2022 looked to be a corrective wave C, as a rule, a wave C should consist of 5 waves. June to August 2022 we had five waves lower; however, in September we moved lower again, indicating there would be a larger cycle in play (meaning the original 5 waves lower become wave 1 of a larger cycle), for this reason we maintained that the longer-term cycle was bearish. Now the missing wave on the OPEC cut is actually the wave 5, of the wave 5, of the higher timeframe wave 3, within the larger cycle it is a minor wave. We stated that wave C's consist of 5-waves, within this larger cycle we only have 3 waves. Getting confused yet? Think of cycles within cycles and have a look on google images.
- This upside move is bullish, as it has made a higher high above USD 86.75, the intraday upside move is bullish impulse as this consists of 5 waves , a concern in any bearish wave cycle. However, here comes the Elliott (sorry, Elephant) in the room, the intraday cycle highlighted on the morning technical report has an upside target of USD 93.59, the 66% retracement of the highest timeframe wave 3, is at USD 93.44. For the technical, this is a massive area of interest, if we trade through this area, then it will warn of complete cycle failure, suggesting we are indeed bullish. If we fail to break this area, and start trading below USD 83.50, it will flag to market longs that this cycle is still vulnerable to a higher timeframe wave 5 lower, making USD 76.03 the next point of interests. The near-term is bullish ,but be aware that the intraday technical is in divergence at this point.
- **For those of you who do not look at/care/understand Elliott wave. The weekly fractal resistance is at USD 89.09. Last time we broke a weekly upside fractal was in Jan 2022 at USD 86.70, resulting in a move up to USD 139.13.**

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