

# FIS Brent Daily technical

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## FIS Technical – Brent July 23



| Support | Resistance | Current Price | Bull                | Bear         |
|---------|------------|---------------|---------------------|--------------|
| S1      | 70.12      | 75.40         | Stochastic oversold | RSI below 50 |
| S2      | 66.40      |               |                     |              |
| S3      | 59.89      |               |                     |              |

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the weekly pivot point USD 80.00
- Technically we remained bullish but in a corrective phase last week with key support to follow at USD 76.03. The futures had been trying to close the bullish gap that formed on the OPEC cut, meaning USD 79.80 was still a near-term target for market sellers. The MA on the RSI suggested that momentum remained weak. However, the gap was acting support zone, whilst the RSI was near neutral at 48 with the stochastic in oversold territory. If the RSI moved above and held above 50, then resistance could come under pressure. Bullish but in a corrective phase on the daily, bearish on the intraday, support levels continued to look vulnerable due to the USD 83.50 break. The futures closed the gap with price trading below the USD 79.80 level, in doing so we witnessed a drop in the aggregate open interest, as market longs looked to exit, resulting in the futures trading to a low of USD 71.28. Price is currently moving higher, but we remain below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 81.98 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 87.49 fractal resistance. However, key resistance on the Elliott wave cycle (the 66% retracement of the wave 3) is at USD 93.44, the cycle is bearish below this level and neutral above.
- The technical is bullish with a neutral based on price, due to the depth of the pullback. We lost a lower timeframe wave due to the cut by OPEC; however, if the wave count is still considered to be intact (which we believe it could be), then upside moves should be considered as countertrend. This would suggest that the USD 70.12 support remains vulnerable, if broken we target the USD 66.40 and USD 59.89 support levels. We are potentially in the wave 5 of wave C; however, confirmation only comes below USD 70.12, at this point the minimum requirement for phase/cycle completion on the highest timeframe will have been met.

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