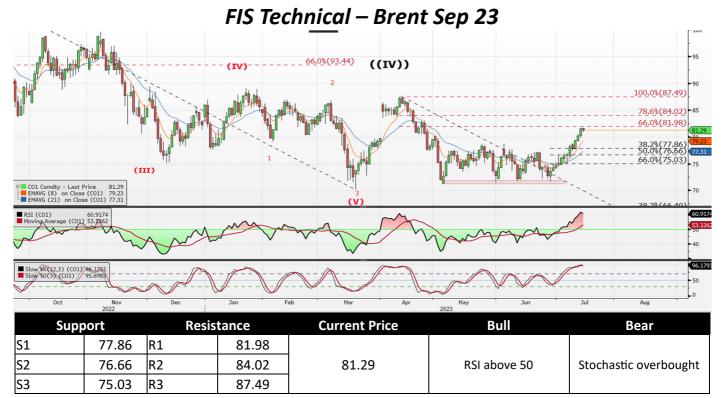
DRY FFA | WET FFA | OIL | IRON ORE | STEEL | COKING COAL | CONTAINERS | FERTS | METALS | AFFA | PHYS FREIGHT

FIS

Brent Daily technical

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Synopsis - Intraday

Source Bloomberg

- Price is above the 8 21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the weekly pivot point USD 77.09
- Note, the current chart on display is a logarithmic chart for ease of viewing.
- Technically bearish in the last report, the futures remained in a consolidation phase having tested the downside for a 4th time. The futures were testing the upper end of the range resistance with the RSI near neutral at 51, whilst the stochastic was in overbought territory. If the RSI moved below 50 then momentum would warn that the futures were vulnerable to a test to the downside. Likewise, if the RSI could hold above 50 then the stochastic would be considered as less relevant, at this point the Fibonacci resistance zone would become vulnerable. The technical was bearish but we had a neutral bias due to the consolidation phase. However, the intraday technical was looking overextended whilst daily momentum was vulnerable to a move lower, suggesting caution. The futures traded above and closed above the consolidation area with the RSI holding above 50. Price is above all key moving averages supported by the RSI above 50, we are now trading in the Fibonacci resistance zone.
- 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 have a neutral bias. Likewise, downside moves that hold at or above USD 85.03 will support a near-term bull argument, below this level the USD 71.58 USD 71.28 support zone could come under pressure.
- Technically bearish, the USD 81,.98 Fibonacci resistance is looking vulnerable having already traded to a high of USD 81.75. The RSI is making new highs with its MA suggesting momentum is supported, this would imply the downside moves will potentially be countertrend in the near-term, making the USD 75.03 the key support to follow. The move higher from the support zone having failed to trade below the USD 70.12 level is warning that the psychological footprint of the market could be changing; however, we are not seeing any significant build in open interest, which we would have expected, suggesting existing longs could be exiting to fresh buyers.

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