Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent October 23 Morning Technical Comment – 240 Min



Synopsis—Intraday

S3

83.29

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 85.28

R3

89.57

- Technically we remained in bullish territory yesterday; however, the futures were correcting on the back of a negative divergence whilst the MA on the RSI was starting to turn lower. Both suggested that momentum is weakening, leaving the USD 83.82 support level vulnerable. If we did see a close on the 4-hour candle above USD 86.25, it would suggest that momentum based on price was starting to strengthen, indicating the USD 86.73 fractal high could come under pressure. Note: a new high would create further negative divergences at this point, meaning upside breakouts would not be considered a technical buy. The futures did move lower with the USD 83.82 support being breached, meaning the technical had a neutral bias; however, price rebounded resulting in the futures entering back into bull territory. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 85.28 with the RSI at or below 52 will mean price and momentum are aligned to the sell side.
- Technically bullish, the USD 86.73 resistance is starting to look like it could be tested and broken. However, as noted in the previous reports, upside breakouts will create a negative divergence with the RSI (there are three divergences in play at this point), not a sell signal it is a warning that we have the potential to see a momentum slowdown. A cautious bull: from a technical perspective, the futures are not considered a buy at these levels.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is a uthorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>

Chart source Bloomberg