

FIS Brent Daily technical

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FIS Technical – Brent Oct 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	83.95	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8 - 21 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below the weekly pivot point USD 86.05
- We noted on the last report that the minimum requirement for wave phase completion required the futures to trade below the USD 70.12 fractal low. However, with the support zone holding it warned that the psychological footprint of the market could be changing. The cycle remained bearish below USD 93.44, making this a key level to follow from an Elliott wave perspective, but the move above USD 87.49 warned that the wave cycle could be failing, leaving our key resistance vulnerable. Countering this, both the daily and the intraday RSI were in divergence, implying we had the potential to see a momentum slowdown. This technical is bullish based on price supported by the higher volume on up days and rising open interest, but the divergence is warning that we are due a technical pullback. If we corrected on lower volume with Aggregate open interest (AOI) remaining stable, it would have bullish implications going forward. Likewise, if volume increased on down days with AOI decreasing, it would signal that the move is being driven by market sellers, indicating we could see a deeper pullback. Cautiously bullish at this point volume and open interest need to be monitored closely.
- The futures have entered a corrective phase on the back of the negative divergence with the RSI, the correction has seen an increase in volume on downside days with AOI showing a small drop in open interest. Price is below the 8-21 period EMA's with the RSI still above 50. Downside moves that hold at or above USD 77.19 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price, the futures remain below the longer-term key resistance on the Elliott wave cycle at USD 93.44. Price is now in a corrective phase with the MA on the RSI warning that momentum is weakening. As noted on the intraday technical, there appears to be further downside to come within this corrective phase. This is supported by the rising volume on bearish days, and a small drop in the AOI, implying there is early evidence that existing market longs could be taking profit. Key support to follow is at USD 77.19. Market sellers will now want to see the RSI move below and hold below the 50 level, as the stochastic is approaching oversold levels.