

# FIS Brent Daily technical

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## FIS Technical – Brent Nov 23



Support		Resistance		Current Price	Bull	Bear
S1	81.67	R1	88.37	87.79	RSI above 50	
S2	79.69	R2	90.35			
S3	77.00	R3	92.33			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is below the weekly pivot point USD 86.05
- Technically bullish based on price on the last report, the futures remained below the longer-term key resistance on the Elliott wave cycle which was at USD 93.44. Price was in a corrective phase with the MA on the RSI warning that momentum was weakening. As noted on the intraday technical, there appeared to be further downside to come within the corrective phase. This was 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 was at USD 77.19. We noted that market sellers would want to see the RSI move below and hold below the 50 level, as the stochastic is approaching oversold levels. The futures traded to a low of USD 91.94 meaning the Fibonacci support zone held whilst the RSI remained above 50. We have since seen the futures move higher in six of the last seven sessions with price above all key moving averages supported by the RSI 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.
- The technical is bullish based on price with the futures still below the longer-term resistance at USD 93.44 relating to the Elliott wave cycle. However, we do have a lower time frame Elliott wave cycle that started in late April that looks to be on a bullish impulse wave 5 (874-minute candle chart). Using the William's method, it suggests that we have a potential upside target at USD 92.33. However, above USD 88.10 the futures will be in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Note: this divergence is more prominent on the 874-minute chart.
- We are bullish and moving higher; however, the aggregate open interest is dropping and nearing the levels we were in late April early May. Markets moving higher on falling aggregate open interest (AOI) signal that existing longs are exiting the market. This is a warning that the trend could be about to exhaust. We also note that Aggregate volume during the recent upside moves has been increasing alongside the drop in the AOI, another warning sign that we are nearing an exhaustion point.
- We are technically bullish and could move higher over the coming days; however, based on the divergence alongside the rising volumes and dropping AOI, this is not a technical buy due to the warning signals in front of us.

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