

FIS Brent Daily technical

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FIS Technical – Brent Nov 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	96.05	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the weekly pivot point USD 94.00
- We noted that we had 3, maybe 4, Elliott wave cycles that we were trying to track within the current bull trend on the last report. The intraday Elliott wave extension on a lower timeframe suggested that resistance levels remained vulnerable, with downside moves considered as countertrend. The lower timeframe cycle had the potential to trade as high as USD 100.86. We stated that above USD 95.96, the minimum requirement for phase completion would have been met; however, when this cycle completed, we continued to maintain our view that downside moves would still be countertrend. Depending on how high and for how long we moved higher, there would be the potential for further wave extension (this was not the case at that time, as it was subjective and something we were monitoring), this was highlighted by (I) and (II), in the black circles, if we stayed elevated for long enough there was a chance that the move higher from the low of USD 71.57 on the 28/06/23 would all be part of a very large extended wave 3. Normally we would not have highlighted this, but with so many cycles and extensions in play we felt that we should. Especially as Saudi Arabia and Russia were intent on keeping production cuts in play. The futures had a small move lower before trading to a high of USD 97.69. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 87.29 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish with the RSI rejecting a resistance point on the 28/09. We have a bit of a mixed technical as the current wave 3 that we are on (III) looks like it may be extending on the lower time frame. This would make sense as it would be unusual (not impossible) the wave 3 to be shorter than the wave 1. However, we have moved higher on lower volume and a drop in aggregate open interest (AOI). This is a bearish signal, but it has coincided with Golden Week in China, meaning it is potentially just a function on the Holiday that has started today (29/09). Working on the basis of price only (I.E the Elliott wave cycle), the cycle suggests that there is potentially further upside, targeting the USD 98.76 – USD 100.46 in the near-term. We are yet to confirm if there is a super cycle in play as the futures would need to stay elevated for quite some time. We maintain our view that downside moves will be considered as countertrend.

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