

FIS Brent Daily technical

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FIS Technical – Brent Jan 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	81.13		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (43)
- Stochastic is above 50
- Price is below the weekly pivot point USD 80.39
- We remained in a bearish trending environment last week with the MA on the RSI continuing to suggest that momentum was weak. Although moving higher on the 17/11/23, our intraday Elliott wave analysis suggested that we had the potential to trade as low as USD 72.50 within this phase of the cycle, with a lower timeframe cycle warning that we should have one more test to the downside before the cycle completes. If we did trade above the USD 81.46 resistance, it would warn that the probability of the futures trading to a new low will start to decrease. The futures failed to trade back below the USD 76.60 low with price breaching the USD 81.46 resistance. Price is below the 8-21 period EMA's but above the weekly pivot level, the RSI remains below 50.
- Upside moves above USD 83.97 with break fractal resistance, indicating we have entered bullish territory.
- Technically we are bearish with a neutral bias, the move above USD 81.46 means that the probability of the futures trading to a new high has started to decrease. We have mean reverted back to the moving averages which are well spaced and pointing downwards, supporting a bearish trend. However, there are warning signs that we are exhausting on a technical basis and have already potential completed the downside move. Firstly, we have a 5-wave pattern lower within wave C, implying we are near to the end of this corrective cycle. This in turn, creates a 3-wave corrective pattern on the weekly chart, which can signal downside termination. It did look like we would have one more test to the downside based on the lower timeframe Elliott wave cycle but have since seen a deep pull-back above key resistance. The RSI is now above its MA, which is flat, implying sell side momentum has slowed. The stochastic is above 50 with aggregate open interest starting to build, warning we could be seeing accumulation to the buyside. To be bullish, we need to trade above USD 83.97, this in theory should signal that the downside wave cycle has terminated. If, for some reason we see a move below the low of the rejection candle (USD 78.41), then this will warn that we could trade to a new low. From a technical perspective, there are too many warnings to justify fresh shorts at these levels.

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