# FIS Brent Daily technical

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## FIS Technical – Brent Feb 24

| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 79.13 | R1 | 82.58 | 80.63 | | RSI below 50 |
| S2 | 78.41 | R2 | 84.75 | | | |
| S3 | 76.60 | R3 | 86.46 | | | |

**Synopsis - Intraday**

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (43)
- Stochastic is overbought
- Price is above the weekly pivot point USD 80.52
- Technically we were bearish with a neutral bias last week, the move above USD 81.46 meant that the probability of the futures trading to a new low had started to decrease. We had mean reverted back to the moving averages which were well spaced and pointing downwards, supporting a bearish trend. However, there were warning signs that we were exhausting on a technical basis and had already potentially completed the downside move. Firstly, we had a 5-wave pattern lower within wave C, implying we are near to the end of this corrective cycle. This in turn, created a 3-wave corrective pattern on the weekly chart, which could 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 we had seen a deep pullback above key resistance. The RSI was above its MA, which was flat, implying sell side momentum had slowed. The stochastic was 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 had terminated. If, for some reason we did see a move below the low of the rejection candle (USD 78.41), then this would warn that we could trade to a new low. From a technical perspective, there were too many warning signals to justify fresh shorts at those levels. The futures failed to trade below the low of the rejection candle, resulting in price trading to a new high. However, a rejection candle yesterday has been followed by the roll today, meaning price is back below the 8-21 period EMA's.
- Downside moves below USD 79.13 will warn that support levels could come under pressure. Likewise, a close above USD 84.75 (the high of the rejection candle yesterday) will warn of upside continuation.
- Technically we are bullish having traded above the USD 83.97 fractal resistance. However, this has created a 3-wave pattern higher that topped out at the 100% Fibonacci projection level, warning of technical weakness. We noted in the morning technical today (01/12) that we could see the market try to close the bearish gap (USD 82.58), if we do, and see a daily price close above USD 82.33, it will warn that the USD 84.75 resistance could come under pressure. However, if we close the gap but close below USD 82.33 level, it will suggest caution, as we will remain vulnerable to downside moves. Aggregate open interest has flattened off and is no longer giving us a directional bias. we are still cautious on downside moves due to the previous 5-wave pattern lower; however, the 3 wave pattern higher is a concern and needs to be monitored.