

# FIS Brent Daily technical

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## FIS Technical – Brent Feb 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	79.61		RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the weekly pivot point USD 75.53
- We were approaching an area of support last week (USD 71.58-USD 71.28). Between March and July of this year, this support was tested and held on 4 separate occasions. At the time, we stated that although the longer-term Elliott wave cycle was bearish, the futures were not considered a technical sell above this level. This proved to be correct and resulted in price trading at a high of USD 79.69 in a 3-wave pattern, we thought that the cycle had failed and missed the 5th and final wave 5 lower by USD 1.16. However, we noted that it was starting to look like the wave 4 high in April 23, may have been incorrect, as this large 3-wave pattern to the high of USD 97.69 was potentially the wave 4. We admitted that this is all a bit subjective. However, as we had we never traded below the USD 70.12 low, whilst price was showing bearish impulse patterns lower, warning that we could still be in a 23-month bear cycle. If this was the case, even if we fail to test and break the support zone now, providing we stay below USD 89.49, it would be vulnerable, making it a target for market sellers. The futures have seen a move higher on the back of the lower timeframe intraday cycle looking like it had completed. The upside moves had breached the USD 80.61 resistance, meaning the near-term cycle has a neutral bias. Price is above the 8-21 period EMA's but the RSI remains below 50.
- Upside moves that fail at or below USD 89,49 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note, this resistance levels is related to the longer-term Elliott wave cycle, at this point we do not know if there will be a larger bear cycle in play; however, we believe that it is a possibility as price has failed to trade below the USD 70.12 low. Although we are still USD 10.00 below this level, we highlight this as a key resistance to follow.
- Technically we are bearish on price but have a neutral bias due to the breach in the USD 80.51 resistance, above USD 84.75 we will be bullish based on price. However, as highlighted above, the longer-term Elliott wave cycle is still bearish below USD 89.49. The RSI is currently below 50 with the stochastic overbought, providing the RSI can hold below 50, then momentum will be vulnerable to a move lower; above 50, the stochastic becomes less relevant, leaving us vulnerable to a move higher. We did see a build in aggregate open interest on the last upside move; however, this is now dropping a little. It could be that we are at an inflection point and about to move lower, or the more likely reason will be that it is a seasonal holiday, meaning market volume should in theory be light.

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