

FIS Brent Daily technical

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FIS Technical – Brent Mar 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	79.88	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (51)
- Stochastic is below
- Price is above the weekly pivot point USD 77.65
- Technically we are bearish on the previous report but had a neutral bias due to the breach in the USD 80.51 resistance, above USD 84.75 we would become bullish based on price. However, the longer-term Elliott wave cycle was still bearish below USD 89.49 (revised to USD 89.05). The RSI was currently below 50 with the stochastic overbought, providing the RSI could hold below 50, then momentum would be vulnerable to a move lower; above 50, the stochastic would become 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 had dropped a little. We noted that 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. The RSI failed to hold above 50 resulting in a move lower with price breaching but failing to close below the USD 75.12 support. We are currently moving higher on the back of rising tensions in the Red Sea. Price is above the 8-21 period EMA's with the RSI above 50, we have yet to trade above the USD 81.72 fractal resistance that formed in the final days of 2023.
- Upside moves that fail at or below USD 89,05 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. We noted previously that this resistance level was related to the longer-term Elliott wave cycle, we still 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.
- We held the USD 70.12 – USD 71.58 – 71.28 support on five occasions last year with price holding the USD 75.12 area twice this year. We are now moving higher with Aggregate open interest increasing, implying CTA (funds) are going long the futures, supporting the upside move. This is not on the back of tensions, it is more simplistic than that, CTAs have gone long because price has held above the 200-period weekly MA, which is a key longer-term bench market MA (USD 74.97). A move above USD 81.72 will warn that the USD 84.75 fractal resistance will become vulnerable, if broken, we are bullish based on price. However, as noted last time, key resistance in terms of the Elliott wave cycle is at USD 89.05. We remain bearish with a neutral bias on the technical, the build in aggregate open interest alongside Red Sea tensions, is warning resistance levels are starting to look vulnerable. However, we need to see a close above that holds above the daily 60-period EMA (USD 80.36) as this is the top of the resistance band that we have been highlighting on the morning intraday charts, until this is broken, we have a note of caution. If we fail to close above the resistance band, and produce a rejection candle, then we have the potential to test the weekly average again.

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