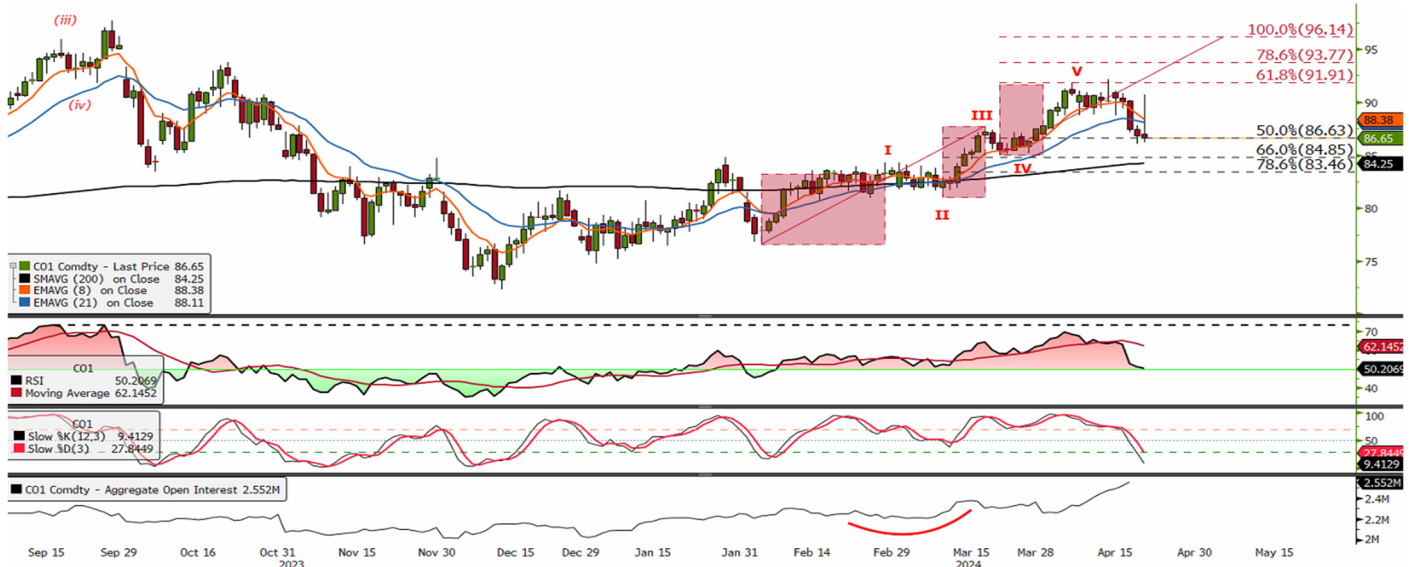


FIS Brent Daily technical

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FIS Technical – Brent June 24



	Support	Resistance	Current Price	Bull	Bear
S1	86.69	R1	86.65	Stochastic oversold	
S2	84.85	R2			
S3	83.46	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is at 50 (50)
- Stochastic is oversold
- Technically bullish last week, we had noted in the morning report that we had intraday downside moves as potentially countertrend. However, we had a note of caution due to the lower timeframe divergences. We were nearing a key level (USD 91.68), we highlighted this number due to the Elliott wave cycle on the chart. Each red box on the chart was the measurement of the waves, as the wave 3 could never be the shortest wave within the cycle. Wave 1 was greater in length than the wave 3, meaning the wave 5 must be shorter than the wave 3, making USD 91.68 the theoretical top in this market. If this level (USD 91.68) was broken, it would warn that there was a larger higher timeframe Elliott wave cycle in play, that would have bullish ramifications going forward; as the move that started on the 05/02/24 was likely to become the third wave of a larger cycle. The futures traded to a high of USD 92.18 before entering a corrective phase. We are below the 8,21 period EMA's with the RSI neutral at 50.
- Downside moves that hold at or above USD 84.85 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. Price action has been volatile, due to the Israeli response to last weekend's attack by Iran. The futures have traded to a high of USD 90.75 on the intraday move today (19/04/24), with price now approaching the low from the 18/04/24. Our Elliott wave analysis is suggesting that downside moves should be considered as countertrend, making USD 84.85 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high has started to decrease. Momentum is conflicting, as the MA on the RSI is implying that it is weakening; however, the RSI is at 50 whilst the stochastic is oversold. If it holds above 50 then resistance levels will be vulnerable, below 50 the stochastic will be considered as less relevant. Based on our Elliott wave analysis we remain cautious on downside moves at this point. We should note that the wave extension was created by the move above USD 91.68, driven by the increased rhetoric from Iran that they would respond to the Israeli embassy attack. There is a chance that this move above USD 91.68 is an anomaly, as the Israeli response has been played down in the Iranian media, meaning tensions could now ease. If Aggregate open interest starts to drop next week with price moving lower, it will signal that existing longs are exiting the market, warning the USD 84.75 level could be tested and broken. If it is, then the bullish Elliott wave cycle will have a higher probability of failing.

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