

# FIS Brent Daily technical

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## FIS Technical (Weekly)– Brent July 24



| Support | Resistance | Current Price | Bull                | Bear         |
|---------|------------|---------------|---------------------|--------------|
| S1      | R1         | 81.17         | Stochastic oversold | RSI below 50 |
| S2      | R2         |               |                     |              |
| S3      | R3         |               |                     |              |

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- Technically bullish last week, the futures were holding above the 82.10 Fibonacci support, the MA on the RSI was flat implying weekly momentum is neutral. A Doji star previously, and a narrow small, bodied candle last week, were highlighting that sell side momentum was slowing down. We consolidated in March for 4-weeks before breaking to the upside (highlighted in the green box, now removed to illustrate the support line), this area was acting as a support zone. The 200-period MA was at USD 79.45, the weekly average had held support on 10-12 occasions, this had usually been followed by an increase in aggregate open interest, implying CTA's (longer-term investors) had been using this average as a point of entry. The most heavily traded area in the last 6 months had been between USD 82.80—USD 83.10, making this an area of support. Downside moves below USD 81.05 would create a positive divergence with the intraday RSI. This technical was a high risk sell at these levels, due to the nature of support below us. For downside continuation, we would need to see price close below and hold below the USD 79.45 level and breach the USD 78.96 support.
- The futures have come under pressure with price breaching the previous weeks low, we are below the 8-21 period EMA's with the RSI below 50 but remain above the longer-term average.
- Downside moves that hold at or above USD 78.96 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 88.26 will leave the futures vulnerable to further tests to the downside, above this level the USD 92.18 high will start to look vulnerable.
- Technically bullish, the MA on the RSI remains flat at this point. The futures are testing the base of the consolidation area highlighted last week with price still above the weekly 200-period MA (USD 79.66). The intraday RSI is now divergent, not a buy signal it warns that we could see a momentum slowdown. The futures are trading below the USD 82.80 support, but the intraday divergence and more importantly, the weekly average, are warning that downside moves could struggle to hold at this point. Technically, we could test the USD 79.66 level, and potentially even breach it; however, unless we close below and hold below it (or significantly break it), we maintain our view based on the technical indicators that this as a high-risk area to be short.

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