

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Jan 25



Support	Resistance	Current Price	Bull	Bear
S1	R1	72.10		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Technically bearish in the last report two weeks ago, the MA on the RSI implied that momentum was weak, warning support levels were vulnerable. The technical was conflicting, as momentum was holding above 40, a level highlighted previously; however, the upside move on the 01/11 had closed the bearish gap with price selling back to the day's lows, implying sell side pressure was increasing. We had been bearish with momentum warning we could move higher; we noted that this pattern was looking less convincing, due to the breakdown on the bearish gap. With price closing the gap but rejecting the upside, the technical warned that support levels were starting to look vulnerable.
- The futures traded to a low of USD 70.72, we then rejected the USD 75.94 resistance, resulting in price testing, but failing to trade below the USD 70.72 level. We are below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 77.61 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside rejection candle from the 13/11 is suggesting caution on moves lower in the near term. If we trade below USD 70.72, then the USD 69.61 and USD 68.68 fractal support levels could be tested and broken. If this is a bearish wave cycle, we should in theory trade below USD 68.68; however, near-term price action is warning we could move higher first. The Elliott wave cycle is now unclear, if we look at the past 10 weeks of price movement, 7 of those weeks have been in consolidation.