

FIS Brent Daily technical

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

FIS Technical (Daily)– Brent May 25



Support	Resistance	Current Price	Bull	Bear
S1	71.96	R1	74.15	RSI above 50 Stochastic overbought
S2	71.26	R2	75.26	
S3	70.33	R3	77.15	

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Technically bearish last week, the MA on the RSI implied that we had light momentum weakness, whilst intraday Elliott wave analysis continued to suggest that upside moves look like they would be countertrend. The six month market profile chart had a resistance zone between USD 72.50 - USD 75.00, which suggested why we were seeing upside rejection on the 21/03 . This was observable on the candle chart above due to the consolidation that formed in Q4 of 24. We maintained a cautious view on upside moves at that point.
- The futures traded higher, putting price above the base of the Q4 consolidation highlighted last week. We are above the 8-21 period EMA's with the RSI above 50, the USD 74.15 resistance has now been breached.
- Downside moves that hold at or above USD 70.33 will support a near-term bull argument, if broken, then the futures will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The futures are now testing a polarity resistance (highlighted on the chart), whilst just above 2 standard deviations from the linear regression line, warning we could be overextended to the upside in the near-term. If we close above and hold above the USD 74.15 level, it will warn that the 200-period MA (USD 76.27) could come under pressure. If we reject the resistance, then we have the potential to test trend support at USD 72.51; if broken, then the Fibonacci support zone will become vulnerable. The lower timeframe Elliott wave cycle has failed, the higher timeframe cycle is now neutral; however, a hanging man candle patten on the 27/03 whilst testing resistance, does mean we have a note of caution on upside moves whilst below the USD 74.15 level.

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