

FIS Brent Daily technical

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FIS Technical (Daily)– Brent June 25



Support		Resistance		Current Price	Bull	Bear
S1	61.17	R1	64.92	64.29	Stochastic oversold	RSI below 50
S2	58.40	R2	66.93			
S3	57.31	R3	68.33			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is above 50 (36)
- Stochastic is oversold
- Technically bearish last week. Our Elliott wave analysis suggested that we had a near-term downside target at USD 66.63 for this phase of the cycle. However, the new low meant that price was in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. Countering this, lower timeframe Elliott wave is indicating that intraday upside moves should be considered as countertrend, indicated that there would be further downside within this phase of the cycle. The daily technical is in divergence, but we noted that the cycle was not finished. Upside moves should be considered as countertrend, suggesting resistance levels should hold if tested, meaning support levels were vulnerable. We had seen a strong impulse move lower, we had not seen a higher timeframe Elliott wave extension at that point; however, if we started trading below USD 66.63 and testing the USD 64.23, we might (probably would).
- The futures did sell lower resulting in the higher timeframe Elliott wave extension highlighted last week. Having traded to a low of USD 58.40, the futures traded to a high of USD 66.08. A pullback on the 10/04 means we remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 69.67 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies momentum is weak. The downside move from USD 75.47 to a low of USD 58.40 has resulted in the **lower** timeframe wave cycle completing; however, we have yet to confirm that we have entered the **higher** timeframe countertrend wave 4. If we fail to confirm the wave 4, and sell to new lows, it will indicate that there is an even larger bearish Elliott wave cycle in play. At this point, upside moves are still considered as countertrend, making USD 69.67 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease, warning the wave cycle could fail. We highlight USD 68.33 as an area of selling interest, as this was the previous fractal support, meaning it could act as resistance. Confirmation of an Elliott wave 4 (or failure to move high enough), is going to have to come via the morning technical reports.

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