

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Aug 25



Support	Resistance	Current Price	Bull	Bear
S1	72.58	75.35	RSI above 50	Stochastic overbought
S2	70.75			
S3	68.27			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Technically we remained bearish last week and noted that if we closed and held above the USD 66.23 level, it would warn that the USD 68.33 and potentially the USD 69.67 resistance levels could come under pressure. As noted previously, Higher timeframe Elliott wave analysis remained bearish, as the futures failed to trade below the USD 58.40 low. It could be that the bearish wave cycle had completed early; however, whilst below the USD 69.67 resistance, the technical suggested that upside moves should be considered as countertrend. We noted that the futures could be about to produce a bullish breakout from the channel on the intraday chart; however, we highlighted that we were trading two standard deviations above the linear regression line with polarity resistance at USD 68.33, warning upside moves could struggle to hold.
- The intraday futures did break to the upside from the channel resistance, resulting in the polarity resistance at USD 68.33 being tested and broken. On the intraday technical yesterday we had a bullish bias with downside moves considered as countertrend. The attack by Israel on Iran overnight has resulted in a very strong move higher today (13/06). We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 68.27 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move on the overnight conflict in the Middle East has resulted in price and the RSI making new highs, suggesting downside moves should be considered as countertrend (Elliott wave analysis). The MA on the RSI is also indicating momentum is supported at this point. If we do trade below the USD 68.27 support, then the probability of price trading to a new high will start to decrease. We must highlight that this move is not technically driven, this report should be used for nothing more than support and resistance guidelines, as further escalation in the ME could push price aggressively higher; equally, if tensions are calmed, support levels will come under pressure.

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