

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Sep 25



Support	Resistance	Current Price	Bull	Bear
S1	66.32	R1	71.83	Stochastic oversold RSI below 50
S2	65.33	R2	72.09	
S3	63.00	R3	73.87	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (49)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the pullback was considered as deep, meaning the probability of the futures trading to a new high had started to decrease. We noted that we were not looking at the Elliott wave cycle, as this was based on market psychology, whereas the recent moves were driven by something outside of this. We marked the Fibonacci support at USD 66.32 as a key level to follow, as it is also two standard deviations below the linear regression line, suggesting caution if tested as price will start overextend to the downside around this area.
- The futures traded to a low of USD 66.37 before finding light bid support. We are below all key moving averages with the RSI near-neutral at 50.
- Upside moves that fail at or below USD 76.28 will leave the futures vulnerable to further tests to the downside, above this level the futures will be back in bullish territory.
- Bullish with a neutral bias, the MA on the RSI implies that momentum is weak. We have a note of caution on downside breakouts below the USD 66.37 low, as USD 65.33 is two standard deviations below the linear regression line (USD 71.71). However, based on the depth of the pullback, the technical suggests that upside moves could struggle to hold. If we move higher but reject the 200-period MA USD (71.83), the futures will be vulnerable to further tests to the downside. Conversely, a close that holds above the average will target the USD 76.28 resistance; above this level the technical will be back in bullish territory. Price action is neutral but forming a base, warning we could see a **countertrend** move higher in the near-term.

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