

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Oct 25



Support	Resistance	Current Price	Bull	Bear
S1	67.87	R1	72.07	Stochastic overbought
S2	66.00	R2	73.87	
S3	64.32	R3	76.28	

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Technically bullish with a neutral bias in the last report on the 18/07, the MA on the RSI implied that we were seeing very light momentum support, warning the 200-period MA could be tested. A close that held above the average and the linear regression line (USD 71.65) would indicate buyside pressure is increasing, meaning we could test the Fibonacci resistance zone. Upside moves above USD 76.28 would put the technical back into bullish territory. Conversely, a rejection of the average would warn that we could see another test to the downside. Buyside pressure was slowly increasing, suggesting the average/linear regression line could be tested in the near-term; however, due to the deep pullback and RSI low, the technical did warn that upside moves have the potential to be countertrend.
- The futures moved higher but initially rejected the 200-period MA, resulting in a period of consolidation. However, having held above the 1 standard deviation support (below the linear regression line), the futures have traded into the Fibonacci resistance zone. We are above the 8-21 period EMA's with the RSI above 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.
- We remain bullish but with a neutral bias, whilst the MA on the RSI implies that we have light momentum support. The Upside moves is in the process of rejecting the 50% Fibonacci retracement (USD 73.87), resulting in price trading just below the daily 200-period MA (USD 71.27). A close that holds below the MA will leave the futures vulnerable to a corrective move lower. Conversely, a close above the average and the linear regression line (USD 72.09) will indicate that buyside pressure is increasing, meaning we could test the USD 76.28 resistance. As noted previously, the depth of the pullback means we are cautious on moves higher; however, price is at an inflection point, If we hold above the 200-period MA, we could have another test to the upside in the near-term. We suggest monitoring the 4-hour RSI, as above USD 72.65 there is a chance it will create a negative divergence on the intraday technical.

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