

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Oct 25



Support	Resistance	Current Price	Bull	Bear
S1	65.01	68.33		Stochastic overbought
S2	64.32			
S3	63.41			
	R1			
	R2			
	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- We remained bullish but with a neutral bias on the last report, whilst the MA on the RSI implied that we had light momentum support. The Upside move was 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 held below the MA would leave the futures vulnerable to a corrective move lower. Conversely, a close above the average and the linear regression line (USD 72.09) would indicate that buy-side pressure was 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 was at an inflection point, If we held above the 200-period MA, we could have another test to the upside in the near-term. We suggested monitoring the 4-hour RSI, as above USD 72.65 there was a chance it would create a negative divergence on the intraday technical.
- The futures closed below the 200-period MA resulting in the futures selling to a low of USD 65.01 before finding light bid support. We are above the 8-21 period EMA's with the RSI neutral at 50.
- Upside moves that fail at or below USD 70.70 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 that we have light momentum support. We noted in the morning technical reports that the lower timeframe Elliott wave cycle looked to have completed; however, a rejection of the USD 70.70 level will warn that there is a larger, bearish wave cycle coming into play. This also happens to be where we see the 200-period MA (USD 70.64), of the two levels, we mark the average is the more important. For upside continuation, the futures are going to need to close and hold above the USD 70.64 level. Conversely, a rejection of the average will leave support levels vulnerable, even if the USD 70.70 level is breached. The technical lacks clarity, meaning we are cautious on upside moves whilst below the longer-term average.

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