

FIS Brent Daily technical

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

FIS Technical (Daily)– Brent Nov 25



Support		Resistance		Current Price	Bull	Bear
S1	66.25	R1	70.09	69.17	RSI above 50	Stochastic overbought
S2	65.01	R2	70.70			
S3	64.32	R3	71.79			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technically bearish last week, the futures remained below the 200-period MA but above the trend support line (We noted that trend support has been adjusted to the USD 65.07 low, whilst the polarity support had been removed and replaced with the USD 65.01 fractal low). A 3-wave pattern higher with the futures selling lower warned that the trend support line could come under pressure (USD 65.86). A close that held below the support line would target the USD 65.01 fractal support; if broken, it will warn that there was a larger bearish cycle in play. Conversely, a close that held above the 200-period MA (USD 70.22), that breaches the USD 70.70 resistance would suggest that the downside cycle had completed, as the probability of the futures trading to a new low would start to decrease. A small 3-wave pattern higher suggests we lack bull impetus at this point, warning support levels were vulnerable.
- The futures did sell lower on the 3-wave pattern; however we held the trend support line, creating a failed swing low, resulting in price trading higher. We are above the 8-21 period EMA's supported by the RSI above 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 we remain bearish; however, having held trend support we have traded above trend resistance, meaning we have a symmetrical triangle breakout to the upside. The futures are approaching the 200-period MA (USD 70.09), if rejected, price will look to test the top of the symmetrical triangle (USD 67.98). If we hold trend support, it will have bullish implications going, warning the MA could be tested and broken. If the support line is broken, then price will become neutral. Conversely, a close that holds above the USD 70.09 level and breached the USD 70.70 Fibonacci resistance, will warn that the downside cycle has potentially completed. We are approaching resistance; however, having held trend support and broken the symmetrical triangle to the upside, meaning we now have a note of caution on downside moves. Buyside pressure is increasing, we now need to close above the longer-term average and breach the USD 70.70 level for upside continuation.

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