

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Dec 25



Support	Resistance	Current Price	Bull	Bear
S1	63.98	R1	65.01	Stochastic oversold RSI below 50
S2	62.14	R2	66.58	
S3	59.81	R3	67.38	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Technically we remained bearish last week; however, having held trend support we had traded above trend resistance, meaning we had a symmetrical triangle breakout to the upside. The futures were approaching the 200-period MA (USD 70.09), if rejected, price would look to test the top of the symmetrical triangle (USD 67.98). If we held trend support, it would have bullish implications going, warning the MA could be tested and broken. If the support line was broken, then price would become neutral. Conversely, a close that held above the USD 70.09 level and breached the USD 70.70 Fibonacci resistance, would warn that the downside cycle had potentially completed. We are approaching resistance; however, having held trend support and broken the symmetrical triangle to the upside, we had a note of caution on downside moves. Buyside pressure was increasing, we noted the we needed to close above the longer-term average and breach the USD 70.70 level for upside continuation.
- The breached the USD 70.70 resistance but failed to hold above the 200-period MA (USD 69.91), resulting in price trading through the symmetrical triangle to a new low. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 68.46 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 weakness, whilst the RSI is making new lows, suggesting upside moves now have the potential to be countertrend. The futures have closed below the USD 65.01 fractal support, if we can hold below this level it will weaken the technical further. The upside move today (USD 65.02) is in the process of rejecting the fractal resistance, if we sell lower from here, it will also signal a change in polarity, meaning the USD 62.14—USD 59.18 support levels could come under pressure. We are cautious on upside moves at this point, if we close back above USD 65.01 then resistance could be tested, making USD 68.46 the key level to follow. If broken, then the probability of price trading to a new low will start to decrease.

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