

FIS

Brent Intraday Morning Technical

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

Brent Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	63.42	R1	64.57	63.88		RSI below 50
S2	62.35	R2	65.46			
S3	61.50	R3	66.78			

Synopsis—Intraday Chart source Bloomberg

- Price is on the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Price is on the daily point USD 63.87
- Technically bearish yesterday, we had noted in the weekly report on Friday that we had a 3-wave pattern lower, whilst the 3rd wave consisted of 5-waves on the lower timeframe. This suggested that the lower timeframe cycle had potentially completed, making USD 62.84 the key support to follow, and USD 64.57 the key resistance. Below USD 62.84 would signal that there is a larger bear-cycle in play, warning the USD 62.35 and USD 60.07 support levels could be tested and broken. Conversely, above USD 64.57 would indicate that the probability of the futures trading to a new low would start to decrease. We noted that we had two Doji crosses on the daily timeframe, indicating the market suffering from indecision.
- The futures continue to consolidate, we are on the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4—hour candle below USD 63.87 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 67.12 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we now have a third Doji on the daily timeframe (Doji Cluster). The cluster signals that momentum is fading and that market participants are uncertain about the next direction. As highlighted previously, the lower timeframe corrective cycle looks like it may have completed, meaning we are cautious on downside moves. However, below USD 62.84 will warn that there could be a larger, bear cycle coming into play, warning the USD 62.35 and USD 60.07 support levels could come under pressure. Conversely, above USD 64.57, the probability of the futures trading to a new low will start to decrease. The Doji cluster signals that near-term price action is neutral.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com