

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	61.46	R1	62.51	62.31	Stochastic oversold	RSI below 50
S2	61.37	R2	64.00			
S3	60.70	R3	64.30			

Synopsis—Intraday Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily point USD 62.51
- The technical was bearish with a neutral bias last Thursday. However, price is trading back in its channel whilst on the intraday 200-period MA, meaning we are neutral.
- The futures have broken to the downside but remain in the falling channel. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4—hour candle below USD 62.51 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 45.5 will mean it is aligned to the buy side. Upside moves that fail at or below USD 64.00 will leave the futures vulnerable to further tests to the downside, above this level near-term price action will have a neutral bias. However, the longer-term Elliott wave cycle remains bearish below USD 67.12.
- Technically bearish, the MA on the RSI implies that momentum is weak. The downside move to a low of USD 61.87 means that price is divergent with the RSI, not a buy signal it is a warning that sell side momentum could slow, meaning we are cautious on downside breakouts below USD 61.87 in the near-term. For downside continuation, the futures are going to need to close and hold below the channel support (USD 61.46) with the divergence failing. Near-term resistance to follow is at USD 64.00, if broken, then the probability of price trading to a new low within this phase of the cycle will start to decrease. We are a cautious bear due to the divergence.

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