FIS Brent Daily technical

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FIS Technical (Daily)– Brent Jan 26

Support		Resistance		Current Price	Bull	Bear
S1	62.35	R1	65.31	64.39	RSI below 50	
S2	59.81	R2	66.78			
S3	58.57	R3	67.15			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8 - 21 period EMA's
- RSI is below 50 (48)
- Stochastic is below 50
- Technically bearish last week, the close below the USD 63.86 level had been followed by a Doji star (indecision candle) with price holding above the USD 62.35 Fibonacci support. We had a 3-wave candle pattern marked a, b, c from the high of USD 66.78 on the 24/10/25, the sub-wave lower between b and c consisted of 5-waves and ended in a divergence (intraday timeframe). In theory, the corrective phase looks to have completed, warning resistance levels were vulnerable. However, if we traded below the low of USD 62.84, then the 5-subaves would become 1 on a higher timeframe bearish Elliott wave cycle, suggesting the USD 62.35 and USD 60.07 support levels would be tested and broken. Whilst above USD 62.84, resistance levels were vulnerable.
- The futures initially followed the technical higher, resulting in key intraday resistance being broken. However, the EIA then upped their surplus forecast, resulting in price selling to a low of USD 62.34, this has been followed by a move higher after Ukrainian forces attacked a Russian port. Price is currently above the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 67.15 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below USD 62.34 suggests that the probability of the futures trading to a new high have started to decrease; however, the upside move today has resulted in a key intraday resistance being breached (USD 64.30). In the last 3 sessions the futures have broken two key resistance levels and two key supports, suggesting near-term price action is neutral. With price moving higher, key longer-term resistance to follow is at USD 67.15, above this level then the probability of price trading to a new low on the higher timeframe Elliott wave cycle will start to decrease. Conversely, downside moves below USD 62.34 will leave the USD 60,07 fractal low vulnerable. Currently neutral, as price is not following a technical structure.