FIS Brent Daily technical

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FIS Technical (Daily)– Brent Jan 26

Support		Resistance		Current Price	Bull	Bear
S1	62.35	R1	64.32	63.24	RSI below 50	
S2	61.42	R2	65.31			
S3	59.81	R3	67.15			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Technically bearish last week, the futures had tested but remained above the channel support line (USD 61.88). A close that held below this level would warn that the USD 60.07 fractal low could be tested and broken. Conversely, a close above channel resistance (USD 64.81) would warn that buyside pressure was increasing; however, confirmation would come from a close above the high of the last dominant bear candle (USD 65.15). Key resistance remained unchanged at USD 67.15, above this level the probability of price trading to a new low on the higher timeframe Elliott wave cycle would start to decrease. Price action was showing signs of weakness; however, we maintained a neutral bias whilst price is in the channel.
- The downside move held channel support resulting in a small move higher. We are below the 89-21 period EMA's supported by 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.
- The technical is unchanged as price remains in the channel. However, as noted in the morning technicals, we have a note of caution on downside moves due to the 3 consecutive lows in quick succession, whilst price was in divergence. This is supported on the daily chart by two a, b, c patterns that are labelled as X, Y, Z. This pattern warns that the corrective phase may have completed, meaning the channel resistance at USD 64.32 could come under pressure. A close that holds above the resistance line would leave the USD 64.15 Fibonacci resistance vulnerable. A cautious bear, we are seeing signs of technical support.

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