

FIS Brent Daily technical

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

FIS Technical (Daily)– Brent March 26



Support		Resistance		Current Price	Bull	Bear
S1	69.61	R1	73.33	71.30	RSI above 50	Stochastic overbought
S2	67.62	R2	75.54			
S3	65.19	R3	78.36			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Technical Outlook previously: Bullish but corrective.
- The futures had consolidated previously. We noted that downside moves had found bid support at lower levels; however, we were finding resistance on the rising intraday upper channel. A close above USD 65.45 would warn that the USD 65.60 level could be tested and broken, a key resistance, as a move above it would imply that the futures could be entering a bullish impulse wave 5. Price action was neutral due to the consolidation, meaning we needed to close outside of the USD 63.26—USD 65.45 range for near-term directional bias.
- The futures broke to the upside resulting in price achieving new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 67.62 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bullish but in divergence.
- The upside move to a new high means that price is divergent with the RSI; not a sell signal it is a warning that we could see a momentum slowdown, this needs to be monitored. Countering this, the RSI has broken near-term resistance (momentum confirmation), on volume support, while managed money continue to increase, new longs (commitment of traders report); this suggests that intraday downside moves still have the potential to be countertrend, making USD 67.62 the key support to follow. Below USD 67.62 the probability of the futures trading to a new high within this phase of the cycle will begin to decrease. However, corrective moves that hold at or above USD 63.48 will warn that there could be a larger, bullish cycle in play. The divergence needs to be monitored, intraday momentum (ROC rate of change) is weakening, warning we could see a test to the downside in the near-term. However, the broader structure is warning there should be further upside to follow.